

**TID 37 - Grand Avenue Redevelopment  
Periodic Report  
12/31/20**

**District Created: 1998**

**Authorized expenditure (excluding interest): \$30,420,728**

**Authorizing resolution(s): #971894, #990115, #000430, #131580, #161313, #190545, #191951**

**Projected TID cost recovery: 2021 (levy year)**

**Maximum legal life: 2025**

**Base property value: \$60,317,400**

**Completion status: Project complete**

**Project description**

This district was created to revitalize the downtown retail and commercial district anchored by the Grand Avenue retail center.

Initially, the district was used to fund a \$2 million loan to assist the 169-room Courtyard by Marriott Hotel project at West Michigan and North 3<sup>rd</sup> Streets. This \$13,250,000 development was the first of several staged revitalization efforts for this area.

In June of 1999, the project plan was amended to assist the renovation of the former Marshall Field's building. City assistance of \$9.4 million, including \$6.4 million in City loans, was provided to help convert the project to hotel, office and retail uses as well as to restore its exterior. Major tenants include another Marriott Hotel and the American Society for Quality headquarters. ASQ has a staff of 200, and occupies 105,000 square feet on five floors of the building.

In November of 2000, the plan was amended to provide \$5 million for the renovation of the Boston Store building, upgrading the retail space and the regional offices of Boston Store's owner, Saks, Inc. This project added significant incremental value to the district, while retaining the last department store in downtown Milwaukee.

Saks sold its Boston Store unit in 2006. The new owner, Bon-Ton Stores, Inc., continued to operate the store and had increased employment at the regional offices. The store's lease expired in January 2012, and Bon-Ton management announced that it would extend its occupancy on a year-by-year basis. Unfortunately, the store at this location is not profitable.

In 2014, the City approved a \$1.2 million amendment to TID 37 to keep the Boston Store retail operation open through 2018, and maintain overall Bon-Ton Stores, Inc. employment at not less than 750 employees.

New local owners purchased the mall in late 2015 and in 2016 started the conversion of the New Arcade into offices on the 2nd and 3rd floor with a food hall on the 1st floor, as well as adding apartment units to the Plankinton Arcade.

In 2017, the plan was amended to provide a \$1.9 million forgivable loan to Bon-Ton Stores, Inc. in exchange for extending their office and retail leases 10 more years until 2028, a \$750,000 façade grant for the conversion of the Grand Theater into the new home of the Milwaukee Symphony Orchestra and \$5,215,000 in various public infrastructure improvements in the area and administrative expenses. In 2019, the plan was amended a fifth time to provide an additional

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\$3,000,000 in funding for public infrastructure related to the Milwaukee Symphony Orchestra project.

In early 2018, Bon-Ton filed for bankruptcy, and as a result, will be closing all of their stores and closing their downtown Milwaukee headquarters. In mid-2018, the Milwaukee Symphony Orchestra began construction on the redevelopment of the Grand Theater. COVID-19 delayed the opening of the theater, but it is expected to open for normal operations in the fall of 2021.

In 2019, TID 97 (The Avenue), was approved to assist in the redevelopment of the former New Arcade into offices and a food hall. The initial office space opened in late 2019 and the food hall is expected to open later in fall of 2021.

In 2020, the plan was amended for a sixth time to provide up to \$2,013,609 in donations to Tax Incremental District No. 51 (Granville Station), \$2,658,175 in donations to Tax Incremental District No. 71 (Mitchell Street) and \$2,572,552 in donations to Tax Incremental District No. 72 (Bishop's Creek).

District incremental values have changed as follows:

Year	Incremental Value	Change
2020	\$ 95,334,800	18%
2019	\$ 80,960,300	17%
2018	\$ 69,307,300	7%
2017	\$ 64,648,900	-21%
2016	\$ 81,792,700	20%
2015	\$ 68,317,600	-1%
2014	\$ 68,777,700	3%
2013	\$ 66,886,700	9%
2012	\$ 61,234,300	6%
2011	\$ 57,570,600	13%
2010	\$ 50,882,900	-36%
2009	\$ 79,767,100	32%
2008	\$ 60,421,000	-34%
2007	\$ 91,953,400	25%
2006	\$ 73,408,600	32%

**Expenditures - Life to Date (as of 12/31/20)**

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Administration	\$ 1,655,728	\$ 2,103,762	\$ -	\$ 1,893,931	\$ 209,831
Public Improvements	8,515,000	8,362,914	1,289,461	7,008,993	64,460
Grants/Loans	20,250,000	20,259,752	750,000	19,509,752	-
Capitalized Interest	2,190,000	2,516,227		2,521,904	(5,677)
Total	\$ 32,610,728	\$ 33,242,655	\$ 2,039,461	\$ 30,934,580	\$ 268,614

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**Financing Costs – Interest Paid through 12/31/2020: \$10,563,821**

**Revenue/Value Performance (as of 12/31/2020)**

	<b>Projected</b>	<b>Actual</b>
Property value	\$ 142,690,477	\$ 155,652,200
Incremental value	\$ 82,373,077	\$ 95,334,800
Incremental taxes	\$ 32,683,585	\$ 35,364,376
State aid	*	\$ 2,292,475

**Miscellaneous Revenue through 12/31/2020: \$13,116,376**

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: The bankruptcy and liquidation of Bon-Ton Stores, Inc. has halted any related work related to the \$1.9 million forgivable loan approved in the 2017 amendment. No funds went directly to Bon-Ton Stores, Inc., funds were expended on demolition for the anticipated project. Future development of the site will determine if the remaining funds will be made available for project assistance.