

TID 52 - Sigma-Aldrich Corporation
Periodic Report
12/31/19

District Created: 2003

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

Authorizing resolution(s): #030094

Projected TID dissolution: 2020 (levy year; 2020 contract maximum)

Maximum legal life: 2026

Base property value: \$10,225,900

Completion Status: Project complete

Project description

Aldrich Chemical is the world's largest supplier of organic, inorganic, and organometallic research chemicals. The company focuses on leading-edge research activities in biotechnology, drug discovery, genomics, proteomics, diagnostics, immunology, cell culture, and molecular biology.

Founded in Milwaukee in 1951, Aldrich employs nearly 600 people throughout the City of Milwaukee, a significant percentage of which are minorities.

Aldrich's previous facility at 940 West St. Paul Avenue was acquired by the State of Wisconsin in connection with the reconstruction of the Marquette Interchange. The company was required to relocate by October 2005, at which time the building was demolished.

Functions performed at this location and at 1001 and 1101 West St. Paul Avenue were transferred to the company's complex at 6000 North Teutonia. The project, completed in mid-2005, consists of new facilities for production, research and development, quality control, warehousing, and maintenance with a combined area of approximately 184,000 square feet. In addition, the project included a renovation of existing facilities used for administration, packaging, and environmental services, and related services with a combined area of approximately 90,000 square feet.

This district was created to fund up to \$5 million of extraordinary site improvement expenses necessitated by the move, including, but not limited to, access improvements, utility relocation, environmental remediation, roadway construction, storm water management improvements and other on-site costs, as well as traffic improvements to facilitate access to the expanded operation.

All district funding was advanced by Aldrich and is being repaid from future incremental revenue generated at the expanded Teutonia Avenue project, but only through 2020 (levy year). In addition, payments to Aldrich will be reduced if the company's employment in the city declines below 550. As of year-end 2019, employment at Aldrich was 681, up from 649 the previous year.

It appeared that incremental property value was significantly higher from 2012 to 2014, as shown below, due to additional investments at the Aldrich facility. However, the incremental property value, assigned by the State of Wisconsin, was challenged by Sigma-Aldrich and has since been reduced to \$18,259,800 for the most recent year.

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| Year | Incremental value | Change |
|------|-------------------|--------|
| 2019 | \$ 18,259,800 | 10% |
| 2018 | \$ 16,567,700 | 11% |
| 2017 | \$ 14,907,900 | -3% |
| 2016 | \$ 15,445,000 | -2% |
| 2015 | \$ 15,680,300 | -43% |
| 2014 | \$ 27,540,800 | -10% |
| 2013 | \$ 30,620,100 | 28% |
| 2012 | \$ 23,991,900 | 84% |
| 2011 | \$ 13,049,200 | -8% |
| 2010 | \$ 14,148,900 | -4% |
| 2009 | \$ 14,717,800 | -7% |
| 2008 | \$ 15,835,300 | -2% |

Expenditures - Life to Date (as of 12/31/19)

| | Project Plan Budget | Appropriations | Encumbrances | Expenditures | Remaining |
|----------------------|---------------------|----------------|--------------|--------------|-----------|
| Developer Increments | \$ 5,529,000 | \$ 6,782,245 | | \$ 6,782,245 | \$ - |
| Administration | 41,500 | 41,500 | | 40,622 | 878 |
| Total | \$ 5,570,500 | \$ 6,823,745 | \$ - | \$ 6,822,867 | \$ 878 |

This is a Developer Funded TID. \$4,912,969 in project costs has been incurred by Aldrich. The amount shown above as Expenditure represents only the amount of increment paid out to the Developer, not total project costs. Project costs are capped at \$5.0 million. Project Costs also accrue interest from the date they are incurred.

Revenue/Value Performance (as of 12/31/2019)

| | Projected | Actual |
|-------------------|---------------|---------------|
| Property value | \$ 21,940,332 | \$ 28,485,700 |
| Incremental value | \$ 15,394,332 | \$ 18,259,800 |
| Incremental taxes | \$ 4,654,391 | \$ 7,327,494 |
| State aid | * | \$ 1,188,852 |

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.