

**TID 37 - Grand Avenue Redevelopment
Periodic Report
12/31/21**

District Created: 1998

Authorized expenditure (excluding interest): \$37,665,064

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 3rd 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.

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.

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

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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 opened 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 will open in early 2022.

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
2021	\$ 104,643,600	10%
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%
2005	\$ 55,620,000	-4%
2003	\$ 38,615,900	10%
2002	\$ 35,157,400	

Expenditures - Life to Date (as of 12/31/21)

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Administration	\$ 1,655,728	\$ 2,103,762	\$ -	\$ 1,938,077	\$ 165,685
Public Improvements	8,515,000	8,362,914	1,278,840	7,050,440	33,634
Grants/Loans	20,250,000	20,259,752	-	20,259,752	-
Donations to Other TIDs	7,244,336	2,680,791	-	2,680,791	
Capitalized Interest	\$ 2,190,000	\$ 2,516,227	\$ -	\$ 2,521,904	\$ (5,677)
Total	39,855,064	35,923,446	1,278,840	34,450,964	193,642

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Financing Costs – Interest Paid through 12/31/2021: \$10,563,821

Revenue/Value Performance (as of 12/31/2021)

	Projected	Actual
Property value	\$ 144,117,382	\$ 164,961,000
Incremental value	\$ 83,799,982	\$ 104,643,600
Incremental taxes	\$ 37,268,299	\$ 38,006,029
State aid	*	\$ 2,344,568

Miscellaneous Revenue through 12/31/2021: \$13,131,818

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.