

2004

ANNUAL REPORT

**MILWAUKEE TAX INCREMENTAL
FINANCE DISTRICTS**

**Department of City Development
April, 2005**

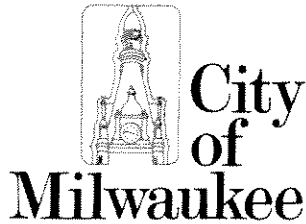
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Section II Project Description and Accomplishments for each Tax Increment District



Department of City Development

Housing Authority
Redevelopment Authority
City Plan Commission
Historic Preservation Commission
NIDC

Rocky Marcoux
Commissioner

Martha L. Brown
Deputy Commissioner

DATE: May 1, 2005

TO: Members of the Joint Review Board for Milwaukee Tax Incremental Districts

Mark Nicolini, City of Milwaukee
Timothy Russell, Milwaukee County
Renee Dudley, Milwaukee Area Technical College
Ron Vavrik, Milwaukee Public Schools
Kenneth Johnson, Citizen Member

FROM: Rocky Marcoux
Commissioner

SUBJECT: 2004 Annual Report of Milwaukee's Tax Incremental Finance Districts

Enclosed is the Annual Report of Milwaukee's Tax Incremental Districts for the year ended December 31, 2004.

The report is presented in two sections:

- I. Financial overview of each district, including summary project costs, revenues and estimated year of district close-out.
- II. Project accomplishments for each district.

In 2004, the City of Milwaukee did not dissolve any districts.

As of the end of 2004, Milwaukee had 43 tax incremental districts. Four new districts were created last year: Stadium Business Park (TID 54), Holt Plaza (55), Erie/Jackson Riverwalk (56), and Menomonee Valley East, Harley-Davidson (57). Please see the description of these projects at the beginning of Section II.

The total incremental property value in all districts is approximately \$708 million, up 25% from 2003. This represents approximately 3% of the City's total property value.

Project costs to be recovered through future tax increments, including interest on bonds sold, or to be sold, and funds advanced by developers through "pay as you go" districts, is now estimated at \$245 million - up from \$198 million last year.

The estimated average payback period for all active Milwaukee TID's is 18 years.

Two districts are currently not generating sufficient revenue to retire their debt: Florida Yards (TID 20), and North Avenue Commerce Center (21) – despite having received donations from TID 5 to strengthen their finances. Additional donations will be required to restore the solvency of these districts.

Finally, a summary of the districts expected to close-out this year and next year is as follows:

District No.	District Name	Projected Close-Out Year	2004 Incremental Property Value
33	United Health	2005	\$15,157,000
31	Milwaukee Street	2005	\$19,020,000
5	Theater District	2006	\$96,849,000
11	Historic Third Ward	2006	\$73,375,000
29	Park East II	2006	\$45,284,000
36	Granville Park	2006	\$34,715,000
		Total	\$284,400,000

We will be pleased to answer any questions you may have.

Enclosure

SECTION I: 2004 FINANCIAL OVERVIEW OF MILWAUKEE TAX INCREMENT DISTRICTS

DISTRICT NO.	DISTRICT NAME	5	11	14	15	17	18	20	21	22	23	24	25	27	28	29
		Theater District	Historic Third Ward	Historic King Pl.	27th & North Ave.	Curry-Pierce	New Covenant	Florida Yards	North Ave. Jobs Bank	Beer-line "B"	City Hall Square	Riverworks Indust. Ctr.	Calumet Woods	Clarke Sq. Mega Mart	City Homes	Park East II
		1985 1/10/85	1988 9/20/88	1990 7/10/90	1991 3/26/91	1992 6/16/92	1992 9/17/92	1993 7/27/93	1993 12/22/93	1993 12/22/93	1994 3/8/94	1994 6/28/94	1994 6/28/94	1994 4/25/95	1995 6/6/95	1995 6/6/95
	YEAR CREATED DATE PLAN APPROVED															
	BASE PROP. VALUE	\$871,700	\$29,464,300	\$314,300	\$608,600	\$683,100	\$120,300	\$3,025,100	\$1,709,900	\$7,761,700	\$4,853,800	\$23,488,700	\$369,200	\$1,669,800	\$776,700	\$889,700
	PROPERTY VALUE - 2004	97,720,600	102,839,800	2,274,100	4,813,200	2,918,700	3,009,400	9,002,700	\$6,324,300	\$68,523,600	\$21,909,400	\$45,187,600	10,999,100	14,149,900	9,823,900	46,173,900
	INCREMENTAL VALUE - 2004	96,848,900	73,375,500	1,959,800	4,204,600	2,255,600	2,889,100	5,977,600	\$4,614,400	\$60,761,900	\$17,055,600	\$21,698,900	10,629,900	12,480,100	9,047,200	45,284,200
	INCREMENTAL VALUE - 2003	92,156,000	64,929,500	\$1,890,000	4,211,000	2,235,500	2,892,300	\$3,733,200	\$4,531,800	\$52,530,700	\$16,489,900	\$19,022,400	\$10,167,300	11,039,600	8,352,600	\$42,159,100
	% CHANGE IN INCREM. VALUE OVER 2003	5%	13%	4%	0%	1%	7%	60%	2%	16%	3%	14%	5%	13%	8%	7%
9	CAPITAL COST THRU 2004	19,996,077	9,317,015	412,750	1,599,603	731,576	609,000	5,200,940	3,166,713	16,872,349	4,984,805	3,787,217	1,601,873	2,813,133	2,030,536	5,953,233
10	Other Costs (net)	218,200	76,493						218	1,455	9,777	11,554				10,606
11	Interest thru 2004	11,176,713	3,686,766	193,934	679,759	290,036	224,829	770,983	643,031	2,112,113	1,444,170	486,947	466,738	942,384	554,284	1,861,008
11a	Carrying cost thru 2004	3,516,463	511,803	153,168	38,428	118,348	20,867	208,439	148,695	337,901	390,048	(321,898)		272,587	97,568	(106,961)
12	PROJECT COST THRU 2004	34,907,473	13,592,077	759,853	2,317,790	1,139,950	854,495	6,180,362	3,958,657	19,323,816	6,828,798	3,973,930	2,066,204	4,028,114	2,682,408	7,717,866
13	Interest 2005 to maturity	109,422	602,035	14,761	111,329	55,817	147,115	456,494	669,916	3,450,916	899,916	1,487,619	265,144	336,324	455,158	1,320,116
14	Est. Future Prof. Costs/Donations	0	0	0	0	0	0	0	0	0	0	105,048				
15	Interest on Future Borrowing	0	0	0	0	0	0	0	0	0	0	105,048				
16	EST. COST PLUS INTEREST	35,016,895	14,194,112	774,614	2,429,119	1,195,767	1,001,610	6,636,856	4,628,573	22,774,736	7,728,714	5,776,597	2,331,348	4,364,438	3,137,566	9,038,002
17	Less: Inc. Donations Receivable	267,301	410	(2,075)	2,352	46,431	6,649	2,260,000	749,573	1,670,658	717,822	82,649		1,174	2,355	1,784,279
18	Plus: Increase in Principal Pymts	138,450	3,788			565	2,108	3,754	14,384	128,101	77,983	16,655		31,657	27,392	59,623
19	COST TO BE RECOVERED THRU TAX INCREMENTS	34,888,044	14,197,500	772,539	2,431,471	1,149,901	997,069	4,366,610	4,093,384	21,233,179	7,088,895	5,710,603	2,341,158	4,394,921	3,162,603	7,303,346
20	Tax Increments Levied Thru 2004	42,865,335	13,805,958	453,830	1,325,924	633,252	477,057	658,033	865,456	4,787,805	2,578,317	3,430,055	1,965,748	2,295,005	1,139,918	6,095,022
21	Less: Donations due to other TID's	8,650,000														
21	NET TO BE RECOVERED AFTER 2004 LEVY	872,709	391,544	318,705	1,105,547	516,649	526,012	3,722,577	3,227,928	16,445,374	4,510,568	2,280,548	375,410	2,099,916	2,022,685	1,208,324
22	Est. Annual Tax Increments	2,500,000	1,900,000	50,000	110,000	59,000	76,000	155,000	120,000	1,500,000	440,000	560,000	280,000	310,000	230,000	1,800,000
23																
24	MAXIMUM LEGAL LIFE	2012	2015	2017	2018	2018	2019	2020	2020	2020	2021	2021	2021	2022	2022	2022
25	EST. YRS. TO RECOVER COST	1	1	6	10	10	7	24	26	15	11	4	2	7	9	1
26	EST CLOSE-OUT	2006	2006	2011	2015	2015	2012	2029	2031	2020	2016	2009	2007	2012	2014	2006
27	EST PAY-BACK PERIOD	21	18	23	24	23	20	36	38	27	22	15	13	17	19	10

SECTION I: 2004 FINANCIAL OVERVIEW OF MILWAUKEE TAX INCREMENT DISTRICTS

DISTRICT NO.	DISTRICT NAME	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
		Westowne Library Hill	Milwaukee Street	King Dr. & Walnut	United Health	Third Ward Riverwalk	27th & Wisconsin	Granville Park	Grand Avenue	S. 5th St. & W. Grange	City Center Hilton	West North Ave.	Time Warner Riverwalk	MidTowne Center	N. 21st St. & W. North Ave.	Walnut / Locust
3	YEAR CREATED DATE PLAN APPROVED	1996 4/2/96	1996 9/24/96	1996 9/24/96	1997 7/1/1997	1997 9/23/1997	1998 2/10/1998	1998 4/7/1998	2000 6/22/1998	2000 4/11/2000	2000 9/6/2000	2000 9/6/2000	2000 9/22/2000	2001 11/28/2000	2001 6/19/2001	2001 6/19/2001
4	BASE PROP. VALUE	\$14,066,000	\$14,793,000	\$2,549,300	\$6,837,000	\$5,787,400	\$2,240,700	\$1,618,900	\$60,317,400	\$200	\$23,863,400	\$3,929,800	\$10,021,400	\$7,118,300	\$944,000	\$36,965,400
5	PROPERTY VALUE - 2004	22,956,700	33,813,000	8,180,700	21,983,800	29,511,800	1,621,900	36,334,300	117,997,000	200	\$43,089,200	11,341,700	80,018,000	38,541,000	\$947,500	\$45,739,200
6	INCREMENTAL VALUE - 2004	8,890,700	19,020,000	5,631,400	15,156,800	23,724,400	(618,800)	34,715,400	57,679,600	0	19,225,800	7,411,900	69,996,600	31,422,700	3,500	8,773,800
7	INCREMENTAL VALUE - 2003	\$7,914,300	\$16,993,400	5,167,200	\$13,662,900	21,527,200	(676,300)	32,402,300	\$38,615,900	\$0	\$15,908,900	\$6,920,000	\$10,337,100	\$32,846,500	(41,800)	6,846,500
8	% CHANGE IN INCREM. VALUE OVER 2003	12%	12%	9%	11%	10%	na	7%	7%	0%	21%	7%	577%	-4%	na	28%
9	CAPITAL COST THRU 2004	7,494,457	2,544,061	600,278	1,406,894	3,617,115	2,141,118	2,632,847	19,507,259	0	5,625,000	1,229,622	1,670,082	7,157,513	0	1,755,000
10	Other Costs (net)	261	991	258	258	258	258	258	258	258	258	258	258	258	258	258
11	Interest thru 2004	2,218,920	681,928	152,202	548,330	411,550	263,645	698,870	3,616,702	3,616,702	698,844	133,867	101,298	989,477	989,477	264,225
11a	Carrying cost thru 2004	551,706	119,321	(40,965)	(406,995)	(21,891)	26,457	(147,791)	(213,896)	(213,896)	(21,734)	26,256	10,931	(51,566)	(51,566)	0
12	PROJECT COST THRU 2004	10,265,344	3,346,301	711,515	1,548,577	4,000,974	2,433,220	3,095,016	22,910,071	0	6,517,110	1,391,739	1,792,312	8,095,424	0	2,029,225
13	Interest 2005 to maturity	1,579,033	468,460	216,868	743,891	959,249	859,506	752,163	7,991,937	880,000	2,816,545	466,228	68,663	2,896,612	0	936,098
14	Est. Future Prof. Costs/Donations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Interest on Future Borrowing	0	0	0	0	0	0	0	0	523,935	0	0	2,101,302	0	0	0
16	EST. COST PLUS INTEREST	11,844,377	3,814,761	1,448,983	2,292,468	4,959,223	3,292,726	3,847,179	30,902,008	1,403,935	9,333,655	1,857,967	7,962,277	10,992,036	0	2,965,323
17	Less: Inc., Donations Receivable	7,433,634	2,560,360	170,962	221,801	23,591	22,499	48,011	3,351,446	0	0	8,841	0	23,641	0	0
18	Plus: Increase in Principal Pymts	95,476	43,740	10,279	44,351	23,591	22,499	48,011	164,069	0	0	0	0	0	0	0
19	COST TO BE RECOVERED THRU TAX INCREMENTS	4,506,219	1,294,141	1,268,280	2,115,018	4,982,814	3,315,225	3,895,190	27,704,631	1,403,935	9,333,655	1,858,008	7,962,277	11,015,877	0	2,965,323
20	Tax Increments Levied Thru 2004	878,898	2,118,155	781,376	2,181,522	2,945,644	9,833	3,683,123	4,553,934	0	1,740,129	592,026	2,568,947	1,766,345	91	409,446
21	Less: Donations due to other TD's	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	NET TO BE RECOVERED AFTER 2004 LEVY	3,626,321	(620,014)	506,964	(68,504)	2,037,170	3,305,392	213,067	23,150,697	1,403,935	7,593,526	1,274,782	5,393,330	9,247,332	(91)	2,555,875
22	Est. Annual Tax Increments	230,000	490,000	145,000	390,000	610,000	NA	900,000	1,500,000	98,000	500,000	190,000	1,800,000	810,000	0	230,000
24	MAXIMUM LEGAL LIFE	2023	2023	2023	2024	2024	2025	2021	2026	2023	2015	2027	2027	2027	2028	2028
25	EST. YRS. TO RECOVER COST	16	0	3	0	3	20	1	16	17	10	7	3	11	NA	11
26	EST. CLOSE-OUT	2021	2005	2008	2005	2008	2023	2006	2021	2021	2015	2012	2008	2016	NA	2016
27	EST. PAY-BACK PERIOD	25	9	12	8	11	21	8	21	20	15	12	8	15	NA	15

DISTRICT NO.	DISTRICT NAME	45	46	47	48	49	50	51	52	53	54	55	56	57
		Wilson Commons	New Arcade	875 East Wisconsin	Park East Ill	Cathedral Place	Solar Paints	Granville Station	Aldrich Chemical	Menomonee Valley Shops	Stadium Business Pk	Holt Plaza	Erie/Jefferson Riverwalk	Menom. Valley East, Harley
3	YEAR CREATED DATE PLAN APPROVED	2001 9/5/2001	2001 9/5/2001	2002 3/5/2002	2002 3/5/2002	2002 3/5/2002	2002 8/13/2002	2003 12/19/2002	2003 6/24/2003	2004 11/25/2003	2004 4/13/2004	2004 4/13/2004	2004 9/23/2004	2005 11/3/2004
4	BASE PROP. VALUE	\$1,526,700	\$14,759,500	\$21,131,000	\$27,727,300	\$2,052,700	\$300	\$10,048,700	\$10,225,900	\$4,752,300	\$1,148,000	\$10,056,000	\$8,958,600	\$0
5	PROPERTY VALUE - 2004	\$7,116,100	\$25,290,400	\$36,361,300	\$50,040,400	\$5,396,400	\$1,516,800	\$10,716,500	\$9,836,700	\$4,752,300	\$1,148,000	\$10,056,000	\$8,958,600	\$0
6	INCREMENTAL VALUE - 2004	5,569,400	10,530,900	15,229,300	2,313,100	3,343,700	1,515,500	667,800	(389,200)	0	0	0	0	0
7	INCREMENTAL VALUE - 2003	4,750,100	9,307,400	5,183,800	430,100	60,300	1,359,600	na	na	na	na	na	na	na
8	% CHANGE IN INCREM. VALUE OVER 2003	18%	13%	184%	438%	5445%	12%	na	na	na	na	na	na	na
9	CAPITAL COST THRU 2004	1,421,000	6,150,311	2,328,982	13,715,527	18,851,364	694,402	0	2,245,621	2,535,314	2,341,133	0	0	0
10	Other Costs (net)	5,000	0	0	0	5,000	0	0	1,500	0	0	0	0	0
11	Interest thru 2004	203,771	140,587	32,024	157,793	857,630	0	0	74,969	0	0	0	0	0
11a	Carrying cost thru 2004	65,338	65,338	50,630	243,517	0	0	0	0	31,438	29,030	0	0	0
12	PROJECT COST THRU 2004	1,631,771	6,356,246	2,411,636	14,116,837	19,713,994	694,402	0	2,321,990	2,566,752	2,370,163	0	0	0
13	Interest 2005 to maturity	138,231	3,106,908	1,596,457	7,340,755	14,972,293	0	0	2,754,379	13,464,686	1,750,000	1,800,000	7,000,000	8,075,000
14	Est. Future Prof. Costs/Donations	0	0	0	6,200,000	1,058,085	0	4,900,500	529,000	11,482,500	480,000	1,800,000	2,152,100	7,156,048
15	Interest on Future Borrowing	0	0	0	3,256,482	0	0	1,920,500	0	0	252,115	689,000	0	0
16	EST. COST PLUS INTEREST	1,770,002	9,463,154	4,008,093	30,914,075	35,744,372	694,402	6,821,000	5,605,369	27,513,938	4,852,278	2,689,000	9,152,100	15,231,048
17	Less: Inc. Donations Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Plus: Increase in Principal Pymts	32,684	0	0	0	0	0	0	6,057,950	0	0	0	0	0
19	COST TO BE RECOVERED THRU TAX INCREMENTS	1,770,002	9,430,470	4,008,093	30,914,075	35,744,372	694,402	6,821,000	5,605,369	21,456,438	4,852,278	2,689,000	9,152,100	15,231,048
20	Tax Increments Levied Thru 2004	271,100	578,529	533,778	71,634	88,730	75,397	na	na	na	na	na	na	na
21	Less: Donations due to other TID's	0	0	0	0	0	0	0	0	0	0	0	0	0
22	NET TO BE RECOVERED AFTER 2004 LEVY	1,498,902	8,850,941	3,474,315	30,842,441	35,655,642	619,005	6,821,000	5,605,369	21,456,438	4,852,278	2,689,000	9,152,100	15,231,048
23	Est. Annual Tax Increments	341,000	600,000	400,000	4,000,000	1,646,000	40,000	450,000	300,000	1,000,000	230,000	210,000	1,200,000	400,000
24	MAXIMUM LEGAL LIFE	2028	2028	2028	2029	2029	2029	2029	2026	2030	2031	2031	2031	2031
25	EST. YRS. TO RECOVER COST	5	15	8	8	22	16	18	18	21	27	15	10	24
26	EST CLOSE-OUT	2010	2020	2013	2023	2027	2021	2023	2021	2025	2031	2020	2014	2029
27	EST PAY-BACK PERIOD	9	19	11	21	25	19	20	18	21	27	16	10	24

1	DISTRICT NO.	Total
2	DISTRICT NAME	
3	YEAR CREATED DATE PLAN APPROVED	
4	BASE PROP. VALUE	\$380,026,900
5	PROPERTY VALUE - 2004	\$1,088,945,700
6	INCREMENTAL VALUE - 2004	708,918,800
7	INCREMENTAL VALUE - 2003	\$585,618,300
8	% CHANGE IN INCREM. VALUE OVER 2003	25.3%
9	CAPITAL COST THRU 2004	186,751,720
10	Other Costs (net)	376,413
11	Interest thru 2004	37,895,237
11a	Carrying cost thru 2004	5,629,064
12	PROJECT COST THRU 2004	230,652,434
13	Interest 2005 to maturity	60,250,981
14	Est. Future Prof. Costs/Donations	51,112,650
15	Interest on Future Borrowing	30,568,630
16	EST. COST PLUS INTEREST	372,604,695
17	Less: Inc. Donations Receivable	27,457,708
18	Plus: Increase in Principal Pymts	1,021,065
19	COST TO BE RECOVERED THRU TAX INCREMENTS	348,168,052
20	Tax Increments Levied Thru 2004	109,229,352
21	Less: Donations due to other TID's	
22	NET TO BE RECOVERED AFTER 2004 LEVY	245,788,700
23	Est. Annual Tax Increments	28,900,000
24	MAXIMUM LEGAL LIFE	
25	EST. YRS. TO RECOVER COST	
26	EST. CLOSE-OUT	
27	EST. PAY-BACK PERIOD	18

SECTION II - PROJECT ACCOMPLISHMENTS

Districts created in 2004:

TID 54: Stadium Business Park

Year Created	Estimated Close-out	Incremental Prop. Value
2004	2031	NA

The Stadium Business Park TID was created to redevelop the site of the former Ampco Metal foundry at S. 38th St. and W. Mitchell St. The TID funded \$2.4 million of demolition and environmental remediation expenses on this seventeen-acre property after Ampco declared bankruptcy and efforts were unsuccessful in reactivating the business by a new owner.

The plan calls for developing 200,000 s.f. of multi-tenant, light industrial buildings on this property. By the end of 2004, the site had been cleared and one 50,000 s.f. building had been constructed with two-thirds of the space leased to industrial users. Construction will start on the second building in the spring of 2005.

Real Estate Recycling of Minneapolis is the developer. \$500,000 of additional funding was contributed via a brownfield grant from the Wisconsin Dept. of Commerce. The district is expected to achieve an incremental value of \$9 million upon completion, and be closed-out in an estimated 27 years.

TID 55: Holt Plaza

Year Created	Estimated Close-out	Incremental Prop. Value
2004	2020	NA

The Holt Plaza TID, at S. Chase and W. Holt Ave., was created to redevelop a former industrial site that had been converted to a grocery, retail, office and distribution complex. Of the 350,000 s.f. in the development, over 200,000 s.f. was vacant.

This TID will fund up to \$1.8 million of redevelopment costs in connection with the development of a new Pick N Save store on the parking lot of the current project, the demolition of the current complex of buildings, and the construction of a 102,000 s.f. Home Depot, plus adjacent outlot retail stores.

All funding for the TID is to be advanced by the developer, MSSD, Inc., and repaid by the City from actual incremental revenue generated by the project. The district is expected to close-out in sixteen years, by 2020. By March of 2005, the Pick N Save had opened and demolition activities were continuing on the site of the future Home Depot.

TID 56: Erie / Jefferson Riverwalks

Year Created	Estimated Close-out	Incremental Prop. Value
2004	2014	NA

This district was created to fund up to \$7 million of street and riverwalk improvements along the north shore of the Milwaukee River between N. Broadway and the entrance to the Milwaukee Harbor. The primary objective of the district is to extend the riverwalk system to the harbor, enhancing pedestrian circulation and access within the Historic Third Ward and between the Ward and downtown.

Incremental revenue will be derived from two condominium projects, Marine Terminal Lofts (155 units) and Harbor Front (160 units) which, when completed, will have a combined value of slightly more than \$100 million – allowing the district to be paid off in ten years.

TID 57: Menomonee Valley – East (Harley Museum)

Year Created	Estimated Close-out	Incremental Prop. Value
2005	2029	NA

After canceling its plans to develop its Museum in TID 41, Harley-Davidson selected a 20-acre property at 6th & Canal Streets as its new site. Overall, its investment will exceed its original plans and culminate in a \$95 million complex consisting of the museum, archives, restaurant and banquet space, and at least 100,000 s.f. of supporting office or commercial space.

The district will fund up to \$7 million of extraordinary infrastructure costs on the property, including environmental remediation, dockwall construction, deep pile foundation construction for the buildings, and the need to elevate the site out of the flood plain. In connection with this project, the City agreed to relocate its Traser Yard maintenance facility to a site at the Tower Automotive complex. Development of that replacement facility will be completed by March, 2006, at which time the museum construction will begin.

The District is expected to close-out in 25 years. All funding is being advanced by H-D Milwaukee, LLC, a subsidiary of the company.

All Other Tax Incremental Districts:

TID NO. 5 - THEATER DISTRICT

Year Created	Estimated Close-out	Incremental Prop. Value
1985	2006	\$96,849,000; up 5%

TID No. 5 includes the Milwaukee Center project (N. Water St. & W. Kilbourn Ave.) consisting of the 380,000 s.f. office tower, 220-room Wyndham Hotel, and the Milwaukee Repertory Theater's three stages. Funding in the amount of \$19,996,000 was provided for site improvements, including the construction of the public pedestrian walkways and an ownership interest in the facility's parking ramp. These areas continue to be owned by the City.

In 2001, an amendment to the Project Plan was passed enabling this district to donate up to \$8.85 million over the following five years to TID 20 (Florida Yards), TID 21(North Ave. Commerce Center), and TID 30 (Library Hill). The donations are intended to offset anticipated shortfalls in revenue in those districts and enable them to close-out by the end of their statutory lives. As of the 2004 levy, there remained approximately \$900,000 to be donated to these districts. It is anticipated the district will be closed-out in 2006.

TID NO. 11 - HISTORIC THIRD WARD

Year Created	Estimated Close-out	Incremental Prop. Value
1988	2006	\$73,375,000; up 13%

TID No. 11 contains eleven city blocks and is located south of I-794, west of Jackson Street and northeast of the Milwaukee River. The district includes numerous loft and warehouse structures which are being converted to condominiums, apartments and

offices. The TID has funded approximately \$3.3 million of streetscape improvements (planters, pedestrian lights, parks, street furniture, etc.) that were completed in 1992. This project received a Special Achievement Award from the International Downtown Association. In 1995, the final component of the TID plan was constructed--a 500 space parking structure designed to blend into its historic surroundings. Total capital costs are approximately \$9.3 million. Incremental value continues to grow in this district as additional warehouses are converted to condominiums and office space.

TID NO. 14 - HISTORIC KING PLACE

Year Created	Estimated Close-out	Incremental Prop. Value
1990	2011	\$1,960,000; up 4%

This district includes the former Home Bank Building and annex at N. King Drive and W. Garfield Street. TIF funding provided a \$400,000 loan to assist in converting this long-vacant property into 41 apartments for low and moderate-income families and 14,000 s.f. of office and commercial space.

Incremental property value in this district increased by 4% last year and 2% the previous year – reflecting a stabilization of the districts value following significant increases in previous years.

TID NO. 15 – 27TH & NORTH AVE.

Year Created	Estimated Close-out	Incremental Prop. Value
1991	2015	\$4,205,000; no change

TID No. 15 encompasses the 14-acre site at N. 27th Street and W. North Avenue where Steeltech Manufacturing, Inc. originally constructed a 186,000 s.f. steel fabricating and painting facility. Approximately \$1.6 million of tax increment funding was provided for site

assembly, environmental clean-up, and adjacent street improvements.

Following Steeltech's bankruptcy, Capitol Stampings Corp. acquired the facility in January, 2001. Capitol invested approximately \$10 million in the purchase, renovation, and equipping of the property and moved into the renovated facility in July of 2001. Capitol continues to grow and add jobs at this location.

TID NO. 17 - CURRY PIERCE BUILDING

Year Created	Estimated Close-out	Incremental Prop. Value
1992	2015	\$2,255,000; up 1%

This district provided financing for the redevelopment of the long-vacant Curry Pierce office building at 400 E. Wisconsin Avenue. Total TID capital costs were \$731,000. The historic renovation of the property was completed in October, 1993. Redevelopment of this property stimulated additional renovations and private investment along, what was then, a severely declining Milwaukee St. commercial district. This project proved to be the first step in a redevelopment effort featuring projects such as Hotel Metro, the Grain Exchange condominiums, and numerous entertainment and dining venues on Milwaukee St.

TID NO. 18 - NEW COVENANT HOUSING CORP.

Year Created	Estimated Close-out	Incremental Prop. Value
1992	2012	\$2,889,000; up 7%

The New Covenant Housing Corporation has now completed 72 townhouse and apartment units for low and moderate-income tenants. The development is located between N. 36th Street and N. 40th Street, on the former Park West Freeway Corridor. The TID provided \$569,000 of street improvements for this project. District incremental

value has increased by 30% since 2001.

TID NO. 20 - FLORIDA YARDS

Year Created	Estimated Close-out	Incremental Prop. Value
1993	2029	\$5,978,000; up 60%

This district funded site assembly, environmental remediation and public improvements for the Florida Yards Industrial Park, a 15-acre site located at E. Florida Street and S. Water Street. Sites were marketed to manufacturing and distribution businesses, although environmental contamination, poor subsoil conditions and sewer service difficulties discouraged new development for several years. The site is a former railroad yard. In addition to the TID's investment in the area, \$1.8 million of other City funding has been committed to the development; and, in 2000, the U.S. Commerce Department provided a grant of \$1,410,000 to the project.

Fred Usinger, Inc. purchased 6 acres in 1994 and constructed a 20,000 s.f. warehouse and distribution facility. In 2003, Usinger constructed an \$8 million, 55,000 s.f. addition to this facility to which it relocated a substantial portion of its production operations. Also in 2003, V. Marchese & Sons, a produce distributor and processor completed a 33,000 s.f, \$4 million facility in the park. Marchese added 10 positions to its initial employment of sixty-four.

As discussed earlier, TID 5 is donating revenues to this district in an attempt to eliminate the shortfall anticipated by the time the district closes-out. The donation will total \$850,000. District incremental value increased by a promising 31% in 2003, and 60% in 2004. However, at current amounts, revenue from the district is still not expected to amortize its costs before the statutory termination of the District, 2020. The City should, again, consider donating funds to this district to restore its solvency.

TID NO. 21 - NORTH AVENUE COMMERCE CENTER

Year Created	Estimated Close-out	Incremental Prop. Value
1993	2031	\$4,614,000; up 2%

This district was conceived as an industrial development project designed to generate job opportunities for central city residents. It encompasses a 15-acre site located between N. 27th St. and N. 24th St. along North Avenue, in the former Park West Freeway Corridor. Plans originally called for the development of up to four multi-tenant industrial buildings, totaling 250,000 s.f. The zoning was changed in 2000 to permit both light industrial, commercial and retail uses.

The first building, a 57,600 s.f. facility was completed in late 1995. Goodwill Industries leased the entire facility thru March of 2001. After a long period of vacancy, the building was sold in 2004 to an affiliate of the Milwaukee Private Industry Council. This ended the payment of "rent support" to the project's developer which had been approximately \$200,000 annually.

A second building, completed in 2000, now has several tenants due to the change in the zoning. Tenants include Hope School, Aventis Bio Services, Family Dollar, H&R Block, and Innovative Family Partnerships. At the start of 2004, an additional social service tenant had agreed to move into the building, bringing occupancy to over 90%.

It is fair to say that this district has not achieved its goal of generating manufacturing employment opportunities for area residents. A combination of factors contributed to this outcome, including the general decline in the manufacturing sector as a whole and throughout the 30th St. industrial corridor. Like Florida Yards, this district is receiving revenues donated from TID 5. The total donation, over a five-year period, will be \$600,000. Incremental property value for this district increased 12% in 2002, 36% in 2003, and 2% last year – reflecting a stabilization of occupancy in the building.

As is the case with TID 20, this District is not expected to recover its costs prior to its

statutory termination date of 2020 and the City should consider donations from another District to restore the solvency of TID 20.

TID NO. 22 - BEERLINE "B"

Year Created	Estimated Close-out	Incremental Prop. Value
1993 / 1999	2020	\$60,762,000; up 16%

This district is located along the west side of the Milwaukee River, from East Pleasant Street to East North Avenue. The original project budget was \$6.25 million and was amended to \$12.3 million in 1999 and \$13.8 million in 2002. The district boundary was also expanded to include the Humboldt Yards area, Caesar Park, and property on the east side of the river, along North Water Street to North Humboldt Avenue. Initially, the district funded a \$1.2 million loan for Brewer's Point Apartments, a 107-unit conversion of the former Gimbels warehouse on North Commerce Street.

Other completed projects include the conversion of a former ward yard at 1872 North Commerce into the new home for Lakefront Brewery. The 16-unit Crescent Condominium was completed in 2000, adding upwards of \$6 million in new investment to the area. In 2001, the first phase of the 66-unit River Homes condominium project at 1942-2000 North Commerce Street was completed. In addition, New Land Enterprises completed 27 units of the Highbridge Condominiums, a 53-unit project on remnant bluff land at Astor and Water Streets at a cost of \$15 million. The 12-unit first phase of Commerce Bluff Condominiums at 1801 North Commerce Street has also been completed. The second 12-unit building was completed in 2003, along with the new Roots Restaurant that opened in February, 2004.

In 2003, Riverbridge Condominium project, a 117-unit development at Humboldt and Water Streets was begun. The project included a riverwalk and the redevelopment of a historic former ward yard. Also, the Trostel Square development at Commerce and Vine Streets was completed. The development includes 99 apartments and 27 condominiums with an estimated value of \$20 million. Also in 2003, RACM approved the sale of

property at 2029-57 North Commerce Street to Vetter Denk Properties for the construction of 38 condominium units with an estimated investment of \$10.8 million and the sale of 2101 North Humboldt to Legacy Real Estate Development for the development of a mixed use building comprised of 45 condominiums and approximately 7,400 s.f. of commercial space with an estimated value of \$6.7 million.

In 2004, ground was broken for two new projects in the Beer Line "B": Park Terrace is a 37-unit residential development at 2029-57 North Commerce Street. It is comprised of 21 townhouse units and 16 single-family detached units with a total investment estimated at \$14 million. Union Point is a mixed-use development comprised of 71 residential condominiums, 12,500 s.f. of retail space and 81 parking spaces with a total estimated value of \$15 million.

Currently, completed, planned or under construction projects comprise 671 residential units and approximately 32,000 s.f. of commercial space with an estimated value of \$128 million upon complete build-out and occupancy.

Not surprisingly, district incremental value jumped by 87% in 2003 and another 16% last year.

TID NO. 23 - CITY HALL SQUARE

Year Created	Estimated Close-out	Incremental Prop. Value
1994	2016	\$17,056,000; up 3%

This district provided financial assistance to the City Hall Square housing and commercial development, located at the southwest corner of E. Wells Street and N. Water Street. A total of 155 apartments were developed in former warehouse and manufacturing buildings at this site. Also, a new 60,000 s.f. office building was completed in 1999 and a group of historic buildings along N. Water St. were renovated into an art gallery, brew pub, deli, and second floor housing. The TID provided low cost loans to the apartment project, and funded street improvements. Capital costs, to date, are \$4,910,000. Incremental value in the district increased 13% in 2002, 4% in 2003, and 3% last year.

TID NO. 24 - RIVERWORKS INDUSTRIAL CENTER

Year Created	Estimated Close-out	Incremental Prop. Value
1994 / 2001	2009	\$21,699,000; up 14%

The City created this district to redevelop approximately 32 acres of industrially zoned property located between Capitol Drive, Keefe Avenue, North Booth and North Palmer. The site was the location of the former American Motors assembly plant. A Builder's Square was developed on one of the sites along W. Capitol Dr. This eventually closed but was replaced by a Walmart. Also, Milwaukee Protective Covers, Inc. built a 36,000 s.f. manufacturing facility in 1998, vacated the facility when the business was sold in 2002, and then sold it to In-Place Machining which significantly expanded it in 2003. In addition, CenterPoint Properties completed a \$4 million, 116,000 s.f. facility in 1999 for lease to Production Stamping Corp. which was sold to local owners in 2004. Compo, Inc. also acquired a former AMC building for its metal fabricating business. The TID is assisting the redevelopment effort by funding public improvements, environmental remediation, and loans for renovations in the area. This is a key industrial district in Milwaukee's central city, offering direct access to the City's labor pool.

In 2001, the district's boundary and budget were expanded to fund the acquisition and redevelopment of five blighted sites, provide for additional street improvements, and loans / grants for businesses in the area. All of the blighted properties were acquired in 2003 and most of the environmental remediation and demolition was completed by year-end. The sale of two of these sites was approved for a second phase of an adjoining retail development. The Redevelopment Authority is presently marketing the other properties for industrial or commercial use.

TID NO. 25 - CALUMET WOODS BUSINESS PARK

Year Created	Estimated Close-out	Incremental Prop. Value
1994	2007	\$10,630,000; up 5%

This project consists of a 45-acre industrial park at N. 68th Street and W. Calumet Road. The TID provided funding for paving, sewer, water, lighting, landscaping and storm water detention facilities.

Since completion in 1996, Quality Building Products has built a 49,000 s.f. facility on a 5.4 acre site; Roller Fabrics has completed a \$4,000,000, 90,000 s.f. facility; Visual Impressions developed a 33,000 s.f. building; Mac McAllen has constructed a 30,000 s.f. multi-tenant building, and O'Donahue Industries built a 20,000 s.f. building in 1999, bringing total development to 222,000 s.f. The final site in the park, 6.2 acres, was acquired by Quality Building in October of 2001. Capital costs to date are \$1.3 million. Incremental value in this district increased by 6% in 2002, 2% in 2003, and 5% last year.

TID NO. 27 - CLARKE SQUARE MEGA MART

Year Created	Estimated Close-out	Incremental Prop. Value
1995	2012	\$12,480,000; up 13%

The Pick 'N Save Mega Mart project at S. 18th Street and W. National Ave. consists of a 112,000 s.f. food store, which also contains a food court, liquor store, florist, optical center, bakery, bank, pharmacy, and a day care center for 40 children.

The TID provided \$2.6 million for the acquisition of a severely blighted site, relocation of tenants and businesses, environmental remediation, demolition and site improvement

expenses.

The store opened in January, 1997 and employs 160, including area residents trained for store or bank positions by SER Jobs for Progress. District incremental value was largely unchanged in 2002 and 2003, but increased by a strong 13% last year.

TID NO. 28 - CITY HOMES

Year Created	Estimated Close-out	Incremental Prop. Value
1995 / 1997	2014	\$9,047,000; up 8%

When created in 1995, City Homes was the first residential subdivision to be developed in Milwaukee's central city in thirty years. Located at N. 21st and W. Walnut Streets, the first phase provided 43 home sites. The homes, designed in a traditional style, feature classic front-porches, custom cabinets, Kohler fixtures, built-in dishwasher, a high energy furnace, a two-car garage and a 10-year builder's warranty.

Initially, construction of the homes cost approximately \$110,000, and the TID provided funds to help write-down the purchase price. The units began selling at an average of \$76,000, with the TID absorbing up to \$22,000 of the write-downs, and private contributions absorbing the balance. By the time the last home in Phase I was sold, sales prices had risen to \$90-\$95,000.

Because of the strong market demand, the City expanded the TID in 1997 to accommodate 34 additional sites on adjoining blocks. By year-end 2003, homes on all the sites had been completed. Incremental value in this district increased by 14% in 2002, 15% in 2003, and 8% last year.

TID NO. 29 - PARK EAST II

Year Created	Estimated Close-out	Incremental Prop. Value
1995	2006	\$45,284,000; up 7%

This TID was created to continue the redevelopment of the former Park East Freeway Corridor located north of Milwaukee's downtown. The district contains approximately four city blocks, originally in TID No. 10, and stretches along E. Ogden Avenue from N. Astor Street to the lakefront. Immediately west of this TIF district is the 188-unit East Pointe Commons apartment complex that opened in 1992.

Development activities within this District have resulted in the creation of over 250 units of housing at an estimated cost of \$34.5 million. The TID also provided for the creation of a public park and lakefront access improvements. Most projects were completed in 2002. Incremental value in the district increased by 1% in 2002, by 4% in 2003, and 7% last year.

TID NO. 30 - WESTOWN VILLAGE / LIBRARY HILL

Year Created	Estimated Close-out	Incremental Prop. Value
1996	2021	\$8,891,000; up 12%

This TID funded the assembly of the site for the Library Hill apartment complex at N. 8th and W. Wisconsin Avenue. The development consists of 139 one, two and three-bedroom apartment units, along with 6,800 s.f. of ground floor retail space. The occupancy rate is approximately 95% and the commercial space is fully leased. The project was developed by a not-for-profit subsidiary of the Milwaukee Redevelopment Corporation. TID capital expenditures were approximately \$7.4 million. Incremental value in the district increased by 22% in 2002, 14% in 2004, and 12% last year.

Because of significant cost overruns, and the anticipated future valuation of this project, it was determined that this district would not recover its project costs by the end of its statutory life - without an infusion of funds from another source. As discussed earlier, this district will be receiving funds donated from TID 5. The amount of this donation, over a five-year period, will be a maximum of \$7.4 million. This infusion currently appears to be sufficient to pay off the district before it is required to terminate by statute in 2023.

TID NO. 31 - MILWAUKEE ST.

Year Created	Estimated Close-out	Incremental Prop. Value
1996	2005	\$19,020,000; up 12%

This district was created to revitalize the Historic Milwaukee Street area—between E. Wisconsin Avenue and E. Wells Street in downtown Milwaukee. The district represents one of the few areas remaining in the city where nineteenth century buildings occupy both sides of the street, but it had suffered from high vacancy rates. The city used the tax incremental district to provide loans to redevelopers of these historically significant properties. A \$1.7 million loan was provided to assist in converting the long vacant office building at 411 E. Mason Street into a 65-suite hotel. Hotel Metro, as it is known, is an \$8.0 million project that opened in August, 1998. Substantial condominium and retail redevelopment occurred in the district, as well. Incremental value in this district increased significantly, by 72% in 2002, another 18% in 2003, and 12% last year.

Because the loan to Hotel Metro was pre-paid in 2004, all of the District's costs have been recovered and this District may be closed-out immediately.

TID NO. 32 - KING DR. & WALNUT

Year Created	Estimated Close-out	Incremental Prop. Value
1996	2008	\$5,631,000; up 9%

This district was created to provide up to \$995,000 of low cost loans for retail, office and housing developments in the vicinity of King Dr. and W. Walnut St. In 1997, a \$110,000 loan was provided for the Dreamland Project—a \$900,000 renovation of the long vacant Dreamland Ballroom and Sanders Bowl building at N. King Drive and W. Vine Street. The project transformed this building into eight apartments and 16,000 s.f. of commercial space.

In 1999, the City funded a \$300,000 loan to the Odellian Group for a 13,300 s.f. office building on a RACM site at 1849 N. King Drive. Named the Ring Building after the former beat cop in the area, this \$990,000 project was completed in late 1999, and State Farm Insurance is its anchor tenant.

In 2001, a loan of \$115,000 was provided for a new, mixed-use project at 1825 N. King Dr. The project has eight apartments, 10,000 s.f. of commercial space and cost \$638,000. In 2003, a \$300,000 loan was approved for a \$1.7 million, 12,000 s.f. office building built at N. King Dr. and E. Reservoir St. The building is occupied by an accounting service, day-care center, and has an additional 6000 s.f. available for other tenants.

Incremental value in this district increased by 30% in 2002, 7% in 2003, and 9% last year.

TID No. 33 – UNITED HEALTH / EXTENDICARE

Year Created	Estimated Close-out	Incremental Prop. Value
1997	2005	\$15,157,000; up 11%

This district provided a \$1 million loan for the \$12.6 million, 105,000 s.f. office building constructed for Extendicare Health Services, Inc. at 107 W. Michigan Street. Extendicare is the Canadian parent corporation of Milwaukee-based United Health, Inc. United Health operates nursing centers and assisted living or retirement facilities throughout the U.S. The company employs 350 people in Milwaukee. Nationally, Extendicare employs 18,000.

Since the project was approved, the Canadian offices of Extendicare have been relocated to Milwaukee and the company now operates under the Extendicare banner in both countries. Incremental value in this district increased by 4% in 2002, 3% in 2003 and 11% in 2004.

This district has fully recovered its costs and may be closed-out.

TID NO. 34 – THIRD WARD RIVERWALK

Year Created	Estimated Close-out	Incremental Prop. Value
1997	2008	\$23,724,000; up 10%

This district provided funding for the extension of the Milwaukee Riverwalk from E. Clybourn Street south to the Milwaukee Institute of Art and Design building at N. Broadway.

Other funds will be provided from the Third Ward Business Improvement District, the

Milwaukee Institute of Art & Design, and other city capital accounts. Incremental revenues are being generated through the conversion of several vacant or underutilized loft buildings into offices, apartments and condominiums. Key projects include the Saddlery, a 64,000 s.f. office conversion at 233 N. Water Street which houses the Milwaukee Ale House, and Riverwalk Plaza condominiums, a conversion of two buildings, totalling 135,000 s.f. at N. Water and W. Chicago Streets. Business Improvement District No. 2 completed construction of a 430-space parking ramp in May of 1999. This privately financed project significantly stimulated redevelopment in this TID and in TID No. 11. Dockwall repairs and construction of the riverwalk began in April, 2002 and was completed in 2004.

Incremental property value increased by 17% in 2002, 9% in 2003, and 10% last year.

TID NO. 35 – N. 27TH ST. & W. WISCONSIN AVE.

Year Created	Estimated Close-out	Incremental Prop. Value
1998	2025	\$(676,300)

This district covers the two blocks between N. 26th St., W. Wisconsin Ave., N. 28th St. and W. Michigan St. The main focus of the district is the “east block” which was dominated by the vacant, 10-story former Holiday Inn hotel at 2601 W. Wisconsin Avenue. The TID plan funded assembling the entire east block, and clearing all existing structures. By February, 2001, the Redevelopment Authority had acquired title to all properties on the block. By year-end 2002, demolition of the hotel continued to be stalled by claims filed by the building’s only tenant, a VFW post. In April 2003, the courts upheld the City’s action and demolition was completed shortly thereafter, five years after the project was commenced.

Plans to redevelop the site emphasize a full-line grocery store. In 2004, a major food store commenced preliminary market research and planning for a store at this location.

Incremental value in the district remains negative.

TID NO. 36 – GRANVILLE ESTATES / GRANVILLE

CORPORATE PARK

Year Created	Estimated Close-out	Incremental Prop. Value
1998	2006	\$34,715,000; up 7%

This district funded streets and utilities for a 64-acre business park and a 41-lot subdivision adjacent to Dretzka Park, and south of W. Brown Deer Rd. at N. 114th St. All residential lots have been sold. In the business park, 38 acres have been sold and new facilities constructed for SEMCO, Inc., FPM Heat Treating, Pro-Welding, Midwestern Anodizing, an Ethan Allen distribution center, Friedman Tobacco, and Fire & Water Restoration, Inc. In 2003 and 2004, no sites were sold, reflecting a weakness in the manufacturing sector that finally appears to be recovering. Overall, 370,000 s.f. of manufacturing buildings have been constructed in the park, and this is expected to reach 558,000 s.f.

Incremental value in the district is being driven more by the subdivision than the business park. Incremental value increased by 22% in 2002, 18% in 2003 and 7% last year.

TID NO. 37 – GRAND AVENUE

Year Created	Estimated Close-out	Incremental Prop. Value
1998	2021	\$57,680,000; up 49%

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 W. Michigan and N. 3rd Street. 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. \$9.4 million of City assistance, including \$6.4 million in City loans, were provided to help convert the project to hotel, office and retail uses, as well as upgrade its exterior. Major tenants include another Marriott Hotel and the American Society for Quality's headquarters. ASQ has a staff of 225, and occupies 105,000 s.f. 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 950 jobs, and retaining the last department store in downtown Milwaukee.

Incremental value increased by 250% in 2002, 10% in 2003, and a strong 49% last year, due to the completion of loft apartments above the Boston Store's retail space.

TID No. 38 – S. 5th & W. Grange Ave.

Year Created	Estimated Close-out	Incremental Prop. Value
2000	2020	\$0

This district encompasses a six acre, contaminated industrial site located adjacent to the Airport Freeway Spur. Working with Real Estate Recycling, Inc. of Minneapolis, a plan was developed, and approved by DNR, to remediate the property and develop up

to 100,000 s.f. of industrial or distribution space. The site had been contaminated by foundry sand and heavy metals from batteries. The TID's contribution to the clean-up is estimated at \$874,000, with funding to be advanced by the Milwaukee Economic Development Corp. MEDC will be repaid only from future incremental revenue generated by the project. Property value is expected to reach \$3,300,000. The City contribution to remediation is contingent upon pre-leasing the building, and the developer continues to actively seek tenants for the project before beginning construction. The strengthening local economy is expected to re-start this project in the next few years.

TID No. 39 – City Center Hilton / Midwest Airlines Center

Parking Project.

Year Created	Estimated Close-out	Incremental Prop. Value
2000	2015	\$19,226,000; up 21%

This district consists of the block at N. 6th St. and W. Wisconsin Ave. on which the Hilton Hotel and parking ramp are located. The TID contributed \$5.0 million to a new 850-space parking ramp constructed at a total cost of \$14.8 million. The ramp serves the Hilton Hotel, adjacent Midwest Airlines Center, and provides additional public parking to the entire area. In addition, TID-funded pedestrian streetscape improvements were installed around the entire block at a cost of \$525,000.

This is a “pay-as-you-go” tax incremental district. All funds, including those for the City's share of the expenses, were advanced by the Marcus Corp., the owner of the Hilton. The City's share will be repaid to Marcus, with interest, but only in the amount of actual incremental revenue generated in the District annually. Incremental value increased by 5% in 2003 and 21% in 2004. By contract with the developer, this district will not continue beyond 2015.

TID No. 40 – West North Ave. / Sherman Blvd.

Year Created	Estimated Close-out	Incremental Prop. Value
2000	2012	\$7,412,000; up 7%

This district was created to revitalize the North Ave. commercial district from N. 31st St. to Sherman Blvd. The project is anchored by the Todd Wehr Metcalf Park Community Center, and the \$4.8 million Jewel / Osco store on N. 35th Street. The TID Plan provides for \$1,035,000 of street lighting and pedestrian public improvements; and, \$400,000 for grants or loans to businesses investing in the currently vacant commercial storefronts on the street.

Since its inception, eleven business development grants, in the amount of \$245,000, were awarded to projects in the TID. This funding complemented \$8.6 million in additional investment. Projects ranged from mixed-use renovation, property acquisition, and a major façade grant. Incremental value increased by 292% in 2002, another 9% in 2003, and 7% last year.

TID No. 41 – Time-Warner / Riverwalk

Year Created	Estimated Close-out	Incremental Prop. Value
2000	2008	\$69,997,000; up 557%

This TID was created to fund public improvements in conjunction with a planned Harley-Davidson Museum project, and an extension of the Riverwalk - between W. Juneau Ave. and W. Cherry Street. A significant new development within this TID was the renovation of the former Commerce Street Power Plant into the 150,000 s.f. corporate headquarters for Time-Warner's Milwaukee cable and telecommunications business.

This operation has over 500 employees.

The Harley-Davidson Museum, planned for the former Schlitz Brew House, was determined to be too costly to construct within that historic facility. Harley is proceeding with the project at 6th & Canal Streets, instead. Consequently, the river walk at this location was extended for the Time Warner project but not for the segment along the site formerly considered by Harley-Davidson.

In 2003, due to a reporting error, incremental value was understated by approx. \$10 million. This error was corrected by the Dept. of Revenue in 2004, and assigned the district an incremental value of \$69,997,000 for 2004. Value should stabilize at approx. \$60 million.

TID No. 42 – Midtown Center / Capitol Court

Year Created	Estimated Close-out	Incremental Prop. Value
2000	2016	\$31,443,000; down 4%

TID 42 was created to assist Boulder Venture, Inc. with the redevelopment of the former Capitol Court shopping mall. This project will ultimately lead to the construction of over 600,000 s.f. of retail space. The first phase of this development has been completed and includes a 145,000 s.f. Wal-Mart, a Pick N Save food store, 70,000 s.f. of retail space, and a 20,000 s.f. medical clinic. Up to \$7.25 million in TID funding will be used to pay for the new street system being reintroduced to the project's 55 acre site, as well as fund site improvements and unusual site condition work. Incremental value increased by 956% to \$2.9 million in 2002, and took a significant jump to \$32,848,500, a 1016% increase, in 2003. Incremental value declined by 4% in 2004 but should climb next year to reflect a recent sale of the complex at over \$50 million.

TID No. 43 – N.21st St. & W. North Ave. Retail Center

Year Created	Estimated Close-out	Incremental Prop. Value
2001	NA	\$3500

This district consists of a 12.6-acre site at N. 21st St. and W. North Ave. originally planned to be developed with a 156,000 s.f. Super Kmart discount department store. The TID was created to fund site acquisition, business relocation, building demolition and environmental remediation activities needed to assemble the site for the store, as well as to fund street improvements.

The project was cancelled following the bankruptcy filing by Kmart in early 2002. The Redevelopment Authority is pursuing other retail opportunities at this location. This district should be closed-out and a new one created when needed at this site.

TID No. 44 – Walnut-Locust Neighborhood Improvement Fund

Year Created	Estimated Close-out	Incremental Prop. Value
2001	2016	\$8,774,000; up 28%

This district was created to build on the ongoing redevelopment efforts of the YMCA, WHEDA, the City, neighborhood residents and other stakeholders in the Lindsay Heights neighborhood, generally bounded by N. 20th St., W. Walnut St., N. 12th St., and W. Locust St. This TID created a loan pool of \$1,605,000 to provide forgivable loans of up to \$10,000 for housing renovation and new home construction in the area. Funding

for the loans was provided via a loan to RACM from the Local Initiatives Support Corp. (LISC), which, in turn, borrowed the funds from a group of local financial institutions. Repayment of the loan from LISC is to be made only from actual incremental revenue generated within the TID. At year-end 2004, 143 loans were approved totaling \$1.4 million. This leveraged over \$7.5 million in private investment.

In 2004, the TID was amended to provide an additional \$2.2 million in funding for infrastructure, site, and green space improvements on a site bounded by N. 12th St., N. 14th St., W. Brown St., and W. Lloyd St. The site is going to be developed with 37 new single-family homes and 16 town homes, with an estimated value of \$7.9 million. Funding for the amendment will be provided through general obligation borrowing, and incremental revenues from this development are not required to be paid to LISC, but will be utilized to retire the city bonds.

Incremental value in this district was up 28% from last year. Finally, in 2005, the City amended the district to provide an additional \$1 million of assistance for the project.

TID No. 45 – Wilson Commons

Year Created	Estimated Close-out	Incremental Prop. Value
2001	2010	\$5,589,000; up 18%

This TID assisted in redeveloping the site of the former DePaul Hospital and Treatment Center at 4143 S.13th St. Tarantino & Co. developed three integrated senior housing facilities at this location:

- Villas: 17 units, offering single-story facilities with 1400 s.f. and attached garages.
- Senior Living Center: 152 units were developed, offering one and two-bedroom apartments . A commons area includes a community room, hair salon, convenience store, bank, and wellness center.
- Residential Care Complex: 75 units provide assisted living and include a dining

room, as well as the facilities mentioned above.

The total project cost was at \$22.6 million. The TID funded \$1.4 million of grants for demolition, infrastructure and site improvements. All funds are to be advanced by the developer and repaid from actual tax increment revenue realized from the project. The project was completed by the end of 2003.

Incremental value in the district declined in 2002 due to the demolition of the former hospital structure. In 2003, incremental value rose to \$4.7 million and increased by 18% last year. District value was under-reported in 2004 and that has been corrected.

TID No. 46 – Grand Ave. New Arcade Project

Year Created	Estimated Close-out	Incremental Prop. Value
2001	2020	\$10,531,000; up 13%

This TID encompasses the retail components of the Grand Ave. mall which are contained in the New Arcade building and the Plankinton building – i.e., not the Boston Store or the ASQ Center buildings. Funding in the amount of \$5 million assisted the \$18.5 million upgrade of the New Arcade building's common areas and Wisconsin Ave. entrance. The upgrade began in early 2002, and an incremental value of \$2.1 million was achieved in 2002, increasing by 337% to \$9.4 million in 2003, and by 13% last year.

New tenants, TJ Maxx and Linens & Things, moved into new space in the Plankinton Building in 2004.

TID 47: 875 E. Wisconsin Ave.

Year Created	Estimated Close-out	Incremental Prop. Value
2002	2013	\$15,230,000; up 194%

This district provided assistance to a new, 213,000 s.f., eight-story office building located at 875 E. Wisconsin Ave. The district financed a combination of \$1.2 million in grants and loans to the project. These funds are to be used for streetscaping amenities, utility relocations, plus installing utility upgrades and telecommunications redundancies.

Artisan Investors, Inc. was the initial key tenant, leasing approximately 55,000 s.f. in the building. In April 2003, Roundy's, Inc. announced it would lease 120,000 s.f. in the building, consolidating three office areas, including their current headquarters, into the facility. The Roundy's tenancy relocated about 500 employees and provided a significant stimulus to this part of downtown Milwaukee. Ernst & Young was the final tenant, helping the facility achieve full occupancy in record time for a downtown office building.

Incremental value jumped 194% to \$15.2 million in 2004.

TID 48: Park East III

Year Created	Estimated Close-out	Incremental Prop. Value
2002	2023	\$2,313,000; up 438%

TID 48 encompasses the corridor of the former Park East Freeway, generally bounded by Juneau Ave. on the south, North 8th St. on the west, N. Jefferson St., North Milwaukee St., and N. Broadway St. on the east, and W. McKinley St. on the north.

Initially, the district funded capital costs of \$3.9 million for improvements and reconstruction of numerous street segments in the district. These improvements were made in coordination with the demolition of the freeway structure that previously ended at N. Jefferson Street. The freeway has been rebuilt to end at N. 6th Street and reconnect with the city street grid at that location.

Overall, the demolition of the freeway has freed-up approximately 25 acres of underutilized land for future development. It is expected that \$780 million of new office, commercial and residential construction will take place on these sites over the next five to ten years. The Redevelopment Authority approved the Redevelopment Plan in 2003 and the Common Council in 2004. An amendment to the TID plan, which would increase project costs to \$19.9 million, was pending before the Common Council as this report was issued.

TID 49: Cathedral Place

Year Created	Estimated Close-out	Incremental Prop. Value
2002	2027	\$3,344,000

This TID was created to fund a 940-space, public parking structure in the 700 block of N. Jackson Street. The structure was developed as a condominium unit in a mixed-use commercial building developed by Van Buren Management. This project also contains 24,000 s.f. of ground floor retail space, approximately 160,000 s.f. of office space and 30 residential condominiums. The condominiums will overlook Cathedral Park.

Substantially all the space in the building is occupied. The principal office tenants include the law firm of Whyte Hirschboeck Dudek, Executive Director, Inc. and Deloitte & Touche, accountants. District value was understated by \$15 million in 2004 due to a reporting error, and will be corrected in 2005. Ultimately, an incremental value of \$30 million is anticipated.

TID 50: Solar Paints and Varnishes

Year Created	Estimated Close-out	Incremental Prop. Value
2002	2024	\$1,516,000; up 12%

This district was created to support environmental remediation at a former paint manufacturing plant located at 5375 S. 9th St. Grant funding of \$760,000 contributed to the \$1.3 million environmental cleanup. This leveraged \$1,300,000 of private investment in the rehabilitation of an 8,400 sq. ft. industrial building and the construction of a new 33,000 sq. ft. industrial building. Three industrial users now occupy the site: Xcel Connection, Marshall Erecting, and Lone Wolf. 36 new jobs were created. The property sat vacant and tax delinquent for more than 13 years prior to cleanup. Incremental value rose by 12% in 2004.

TID 51: Granville Station / Northridge

Year Created	Estimated Close-out	Incremental Prop. Value
2003	2023	\$668,000

TID 51 was created to redevelop the former Northridge Shopping Center at N. 76th St. and W. Brown Deer Rd. Opened to the public in 1972, this mall contained 1.1 million square feet of retail space, including four department stores and approx. 400,000 s.f. of in-line store space. The mall operated successfully until the early 1990's when the number of shoppers began to decline rapidly. When this TID was created, all of the 1.1 million square feet of retail space was closed, except 154,000 s.f. occupied by the Boston Store. That store closed later in 2002.

In 1990, the mall was assessed at \$107 million. Eleven years later, Tucker Development Corp. purchased the complex for \$3.5 million. Tucker is pursuing a plan

to regrade approx. 26.8 acres of the site, demolish the former Sears department store, and develop a 161,000 s.f. home improvement center, a 61,000 s.f. grocery store with 15,000 s.f. of expansion space and an outlet.

The TID provides for \$4.4 million of funding to assist this comprehensive redevelopment effort of what is now known as 'Granville Station.' In 2003, site demolition and clearance commenced on the property. By the end of 2004, a Menards, Pick N Save, and other retail outlets had been completed, and will be fully assessed for the first time in 2005. Initial funding will be provided for this project in 2005.

TID 52: Aldrich Chemical

Year Created	Estimated Close-out	Incremental Prop. Value
2003	2021	(\$389,000)

The Aldrich Chemical Company, Inc., located at 940 W. St. Paul Ave. and 6000 N. Teutonia Ave., in the City of Milwaukee, is a member of the Sigma-Aldrich family of companies and a worldwide leader in the research and fine chemicals market. Aldrich 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 Chemical employs over 600 people throughout the City of Milwaukee, 37% of which are minorities.

Aldrich's facility at 940 W. St. Paul Ave. was acquired by the State of Wisconsin in connection with the planned reconstruction of the Marquette Interchange. The company is required to relocate by October 2005, at which time the building will be demolished.

Functions performed at this location and at 1001 and 1101 W. St. Paul Ave. are to be transferred to the company's Teutonia Ave. complex. The project, now well under construction, consists of new facilities for production, research and development, quality control, warehousing, and maintenance with a combined area of approximately 184,000 s.f. plus, the renovation of existing facilities used for administration, packaging, and environmental services, and related services, having a combined area of approximately 90,000 s.f.

This TID 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 TID funding will be advanced by Aldrich and repaid from future incremental revenue generated at the expanded Teutonia Ave. project, but only through 2020. In addition, payments to Aldrich will be reduced if the company's employment in the city declines below 550.

In 2003, work commenced on the project at Teutonia Ave. Due to a clerical error at the Dept. of Revenue, the district's value was understated, resulting in a negative increment. This will be corrected in 2005.

TID 53: Menomonee Valley Business Park

Year Created	Estimated Close-out	Incremental Prop. Value
2003	2026	NA

Tax Incremental District No. 53 consists of approximately 261 acres of land zoned substantially for industrial and manufacturing use and bounded on the west by the Menomonee River, on the south by the Airline R.R. yards, on the east by the 16th St.

Viaduct, and on the north by Interstate 94.

The major focus of this Project Plan is the 134-acre former Milwaukee Road Shops site and it is based on a plan done by Wenk & Associates (Wenk) for the Redevelopment Authority of the City of Milwaukee. The plan includes approx. 62 acres (net) of business park development on the Shops site. The balance of the business park site is dedicated to local roads, the extension of Canal St. through the Shops, or is land under the 35th St. Viaduct which is largely intended for parking, storm water management, and recreational uses.

The balance of the Shops site is intended as green space, and is dedicated to a variety of uses, including:

- Land over areas with significant free product environmental contamination and therefore left undeveloped: approx. 5 acres;
- Areas to convey out-of-bank flood flows from the Menomonee River across the northern edge of the Shops area: approx. 4 acres;
- Areas to convey out-of-bank flows from south to north across the Shops site. This same area is also used for storm water storage and treatment: approx. 9 acres
- Additional green space in and around the site: approx. 9 acres.

Most areas dedicated as green space are intended to meet floodwater conveyance requirements and storm water storage and treatment requirements. Some of the green space is located in areas where significant environmental contamination precludes redevelopment of the site.

The business park component of the Shops Plan is served by the planned extension of Canal St., which will connect to the southern ring road now serving the eastern parking lots of Miller Park, and ultimately to I-94 via Miller Park Way. Local streets will serve the interior of the business park, branching from Canal Street. Construction of these streets will begin in April 2005 and be completed in twelve months. Parcels in the business park are anticipated to range from 3 to 10 acres, and, of course, can be re-divided or combined to respond to market demands.

Total estimated project cost for site remediation, demolition, filling and grading, storm water utilities, local roadways and infrastructure is estimated at \$16 million, net of an estimated \$5 million of grants for the project. District value is expected to increase from \$4.7 million to \$45 million by 2012. Sites in the business park are expected to be available to businesses in late 2006. Incremental revenue is anticipated for the district starting in 2006-7.

Activities in 2003, consisted of stockpiling a portion of the fill needed to raise the site by as much as 8 feet, clearing and grubbing segments of the property and significant engineering activities related to the Canal St. extension. By the end of 2004, engineering had been completed, with the filling and grading of the site continuing. In most of the site, the fill must be allowed to settle for over a year in order to achieve the compaction needed to support a conventional industrial building.

LINE ITEMS TO 2004 TAX INCREMENTAL DISTRICT

STATUS REPORT

- Lines 4-8 Source: Wisconsin Department of Revenue and the Milwaukee Assessment Commissioner's Office.
- Lines 9-13 Source: Unaudited financial statements for Milwaukee Tax Incremental Finance Districts as of December 31, 2004. Carrying costs in line computed by Comptroller's office based on tax levies reported for each TID and the Wisconsin Local Government Investment Pool interest rates.
- Line 14-15 DCD current estimate of cost to complete projects, and estimated interest on future borrowing.
- Lines 17-21 Source: Unaudited financial statements for Milwaukee Tax Incremental Finance Districts as of December 31, 2004.
- Line 22 Source: DCD estimate based on most recent year's tax incremental revenue for districts for which project activities are complete and forecasts for districts which are not completed.
- Line 23 Donations due TID's 20, 21, and 30 per Amendment to TID 5.
- Line 24 The remaining life of the district if it continues in existence for the legal limit – per statute as of 12/31/2004.
- Line 25 The estimate of years to recover costs based upon anticipated future tax incremental revenues generated.
- Line 26 Estimate of year in which City may dissolve district, collect final levy, and recover all project costs.