

PROJECT PLAN

TAX INCREMENTAL DISTRICT NO. 58

CITY OF MILWAUKEE

(Pabst City)

Public Hearing Held: May 6, 2005

Redevelopment Authority Adopted :

Common Council Adopted:

Joint Review Board Approval:

**Department of City Development
May, 2005**

I. DESCRIPTION OF PROJECT

A. Introduction

Section 66.1105(4)(d), Wis. Stats. Requires the "preparation and adoption of a project plan for each tax incremental district." This Project Plan is submitted in accordance with this statutory requirement.

B. District Boundaries & Compliance with Statutory Eligibility Criteria

Tax Incremental District No., City of Milwaukee (TID 58 and/or District) consists of a 21 acre site bounded by W. Highland Ave., N. 6th Street, W. Winnebago Street, and N. 11th Street, extended. The District largely consists of numerous vacant, and blighted buildings that formerly comprised the Pabst Brewing Co. complex. Pabst Brewing ceased operations at this site in 1996.

The District satisfies the requirements of Wis. Stats. Sec 66.1105(4)(gm)(4)(a) as being a "blighted area."

The District is shown on Map 1, "Boundary and Existing Land Use," and the "Structure Condition" of the properties in the District is shown on Map 2, attached.

Exhibit 1 lists the sizes of the parcels that are "blighted" and those that meet the definition of "vacant" property, as provided in Sec. 66.1105(4)(gm)(1):

- 71.2% of the District is "blighted;" and
- 13.8% is "vacant."

C. Project Plan Goals and Objectives

Goals and objectives for the District are:

1. To redevelop the former Pabst property into a mixed-use complex consisting of:
 - 488,000 s.f. of retail space, including several entertainment venues, and restaurants, as well as a gourmet grocery store, books-and-music store, a multi-screen movie complex, a live-performance venue, a video games entertainment

facility, and associated retail venues. Letters of intent have been signed by the House of Blues, Game Works, and Jenco Cinemas. Negotiations for the balance of the space is continuing.

- 257,000 s.f. of office space; a mix of government and private-sector tenants is anticipated.
- 250 units of apartments and condominiums consisting of 381,000 s.f. of residential space (ave. unit 1500 s.f.); and
- 3,800 stalls of parking provided through a combination of on-street spaces and three parking structures, none to be owned by the City.

Please see Map 3, Proposed Improvements and Uses, for a site plan of the redeveloped Pabst complex.

2. To generate and promote employment opportunities in and adjacent to the District. The Developer estimates 1100 new jobs will be created on site.
3. To increase the property tax base of the community.
4. To remediate environmental contamination which impedes the development of this vacant and blighted property.

D. Existing Land Uses and Conditions in the District

The Pabst property is presently vacant and consists of numerous heavy industrial buildings. The property had been used for over 150 years as a brewery and suffers from an extended period of deferred maintenance. The District also includes properties that are operated by MPS and MATC which are in a well-maintained condition.

As an old industrial complex, numerous contaminants were discovered throughout the site, including: petroleum volatile organic compounds (VOC) such as benzene, toluene, and xylene, lead, naphthalene, and diesel range organics. Petroleum-hydrocarbon related groundwater contaminants were detected at certain areas of the property at concentrations exceeding the preventive action limits specified in the Wis. Admin. Code. However, no groundwater contaminants have been detected at the site at concentrations exceeding the NR 140 enforcement standards.

Substantial quantities of asbestos containing materials (ACM) have been detected throughout the entire brewery complex. Several buildings are completely encased with plaster cork mastic, a friable ACM. As expected, several thousand feet of pipe runs contain ACM, which is also present in floor tiles, joint compounds, and window glazing.

Due to their deteriorated condition and the extensive cost to renovate many of the structures, the redevelopment plan calls for the demolition of twenty-one buildings, consisting of 1.1 million s.f. The combined demolition and abatement budget for the project is \$13.4 million.

Due to these conditions, the site is considered blighted within the meaning of Section 66.46(2)(a), Wis. Stats. Thus, the proposed redevelopment will eliminate blight as well as promote new development.

II. PROJECT PLAN PROPOSALS

- A. The following is a description of the kind, number, and location of all proposed public works or improvements within the District; as well as an estimate of the project costs to be implemented as part of this Project Plan.**

Estimated Capital Costs:

The City, pursuant to a Development Agreement with the Redevelopment Authority of the City of Milwaukee, and Juneau Avenue Partners, LLC, the Developer of Pabst City, will provide funding in the form of grants to the Developer for the project pursuant to Wis. Stats. Sec. 66.1105 (2)(f)(1)(h) – i.e. contributions made under a Redevelopment Plan pursuant to Wis. Stats. Sec. 66.1333 (13). The estimated total cost of the Pabst City redevelopment is \$315,066,000, as shown in Exhibit 3, hereto.

Of this amount, the City shall fund \$39,000,000 of the above costs, with disbursements made on a pro-rata basis with funds advanced by the Developer. Hence, the City shall make a contribution to the overall cost of the project, not only to selected categories of costs identified in Exhibit 3.

Public Works or Improvements:

Specific public works and public improvements to which pro-rata funding assistance will be provided in the District, include but are not limited to:

Reconstruction, resurfacing or new construction, as needed, plus installation of street lights, street trees, street furniture, signage and similar improvements for the following street segments:

- W. Highland Ave., between I-43 and N. 6th Street

- W. Juneau Ave., between I-43 and N. 6th Street
- W. Winnebago St., between I-43 and N. 6th Street.
- N. 10th Street, between W. Highland and W. Winnebago (new street)
- N. 9th Street, between W. Highland and W. Winnebago (new street)

Tax Incremental District Project Costs:

Total estimated project costs for TID 58 are as follows:

CAPITAL COSTS	
Grant to Redevelopment Authority for Grant to Developer Pursuant to Development Agreement	\$39,000,000
Project Administration and Job Training	2,000,000
TOTAL CAPITAL COSTS	41,000,000
Capitalized Interest	6,520,000
Scheduled Bond Interest	24,050,000
Total TID 58 Estimated Project Cost	71,570,000

The Development Agreement for the Pabst City District will include a “reset” provision through which the TID Project Cost may be reduced but not increased. Specifically, should the amount of equity raised by the Developer (including equity raised from Historic Tax Credits), the amount of New Market Tax Credit funds and / or the amount of any brownfield remediation grants awarded to the project exceed the amounts upon which the \$39,000,000 City contribution is based, or if the total project costs are less than shown in Exhibit 3, then the Project Costs shall be reduced by 85% of the excess funds raised from other sources, or 85% of the savings in total project costs.

The need for the \$39 million TID Project Cost, is based, in part, on the Developer obtaining no funding through Federal or State Historic Tax Credits, \$62,500,000 through New Markets Tax Credits, and \$3 million in brownfield grants from the State of Wisconsin.

B. Project financing and timetable for expenditures:

All expenditures and TID Project Costs are to be incurred during 2005-7.

The City of Milwaukee will provide financing for Project Costs through one or more issues of tax-exempt and taxable general obligation bonds.

C. List of Estimated Non-Project Costs:

As provided in Exhibit 3, the estimated total cost of the Pabst City project is \$315 million. That portion of these costs not funded by the Tax Increment District represents the non-project costs for TID 58.

C. Proposed Method of Relocating any Persons to be Displaced:

No persons or businesses are to be relocated or displaced.

D. Statement Indicating How District Creation Promotes the Orderly Development of the City:

The district creation will revitalize an area of the City that has been largely dormant since 1996. The Pabst City project will replace a complex of vacant industrial shells with 466,000 s.f. of retail and entertainment space, 282,000 s.f. of office space, 250 units of apartments and condominiums, and 3800 spaces of parking to support these new uses and adjacent institutions. Ultimately, the tax base in this District is expected to grow to \$ _____; and, the Developer estimates approximately 1100 new jobs will be located in the District.

E. Proposed changes of zoning ordinances, master plan, if any, map, building codes and city ordinances:

The zoning for the District is currently IH (Industrial Heavy). The zoning is planned to be changed to Detailed Planned Development.

F. Economic Feasibility Study

S.B. Friedman & Co. has prepared an analysis of the project's need for financial assistance and an economic feasibility study of the proposed TID. See Exhibit 6.

APPENDIX

List of Exhibits

Map 1: Boundary and Existing Land Use

Map 2: Site and Structure Condition

Map 3: Proposed improvements

Exhibit 1: Listing of properties in District, and designation of
“blighted” and “vacant” properties.

Exhibit 2: Detailed estimate of Project Costs

Exhibit 3: Consolidated Pabst City Budget

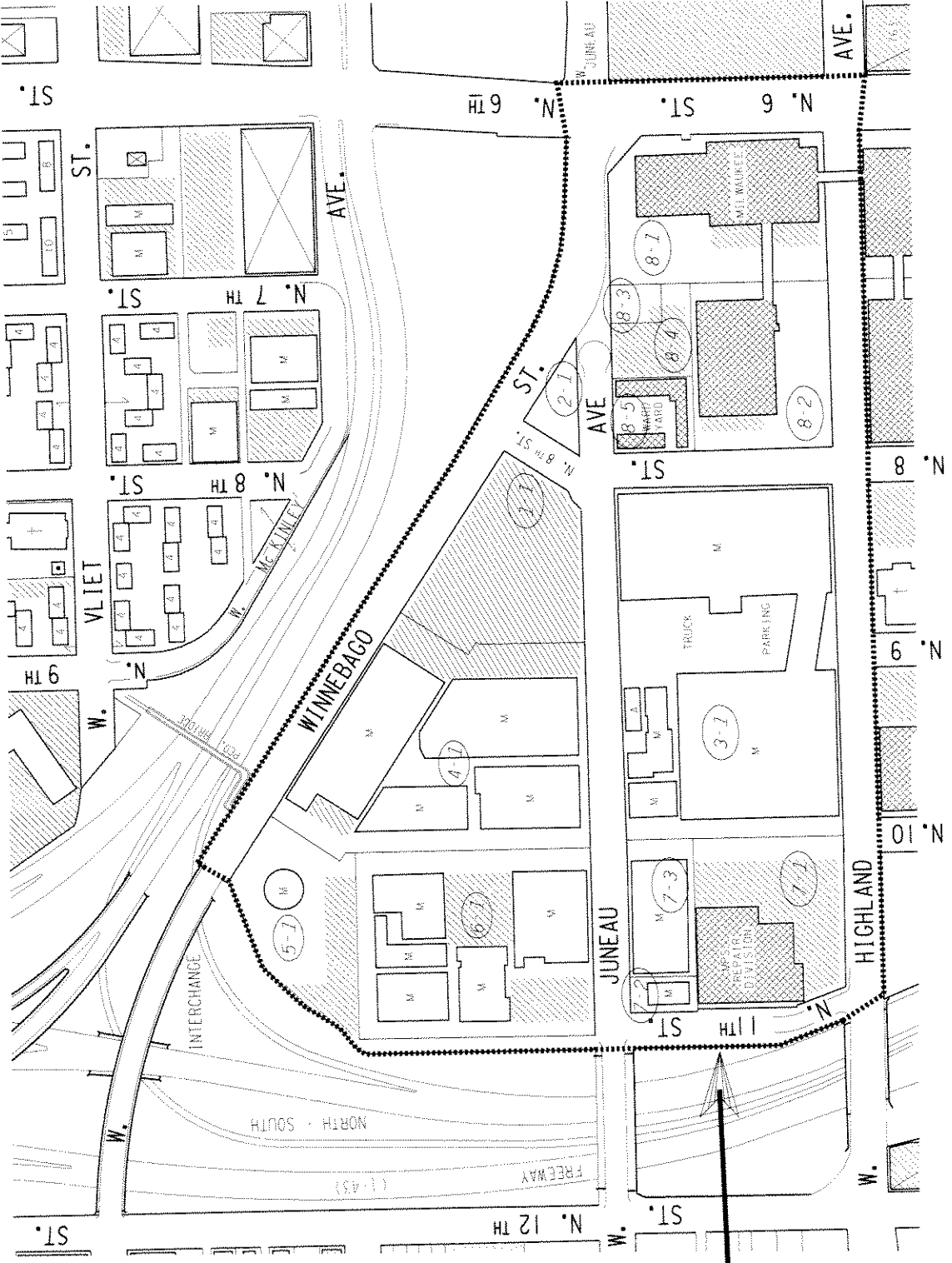
Exhibit 4: City Attorney's Opinion

Exhibit 5: Metes and Bounds description of District boundary.

Exhibit 6: Economic Feasibility Study

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E. EASTON LAND USE



LEGEND

.....	PROJECT BOUNDARY
.....	CHURCH
.....	HOTEL / MOTEL
.....	ROOMING HOUSE
.....	POLICE STATION
.....	HOSPITAL
.....	CONDOMINIUM
.....	UTILITY COMPANY
.....	STORAGE TANK
.....	PARK / SCHOOL
.....	PLAYGROUND
.....	PARKING LOT
.....	PARKING STRUCTURE
.....	SINGLE OR DUPLEX RESIDENTIAL
.....	MULTI-FAMILY RESIDENTIAL
.....	MIXED COMMERCIAL / RESIDENTIAL
.....	COMMERCIAL OR LOCAL BUSINESS
.....	OFFICE / PROFESSIONAL SERVICES
.....	MIXED COMMERCIAL
.....	SKILLED CARE FACILITY
.....	VACANT PARCEL
.....	NON - PUBLIC EDUCATION
.....	PUBLIC BUILDING
.....	MANUFACTURING AND WAREHOUSING
.....	ACCESSORY BUILDING
.....	CEMETERY
.....	TENNIS COURT
.....	BASKETBALL COURT
.....	DORMITORY

TID BOUNDARY

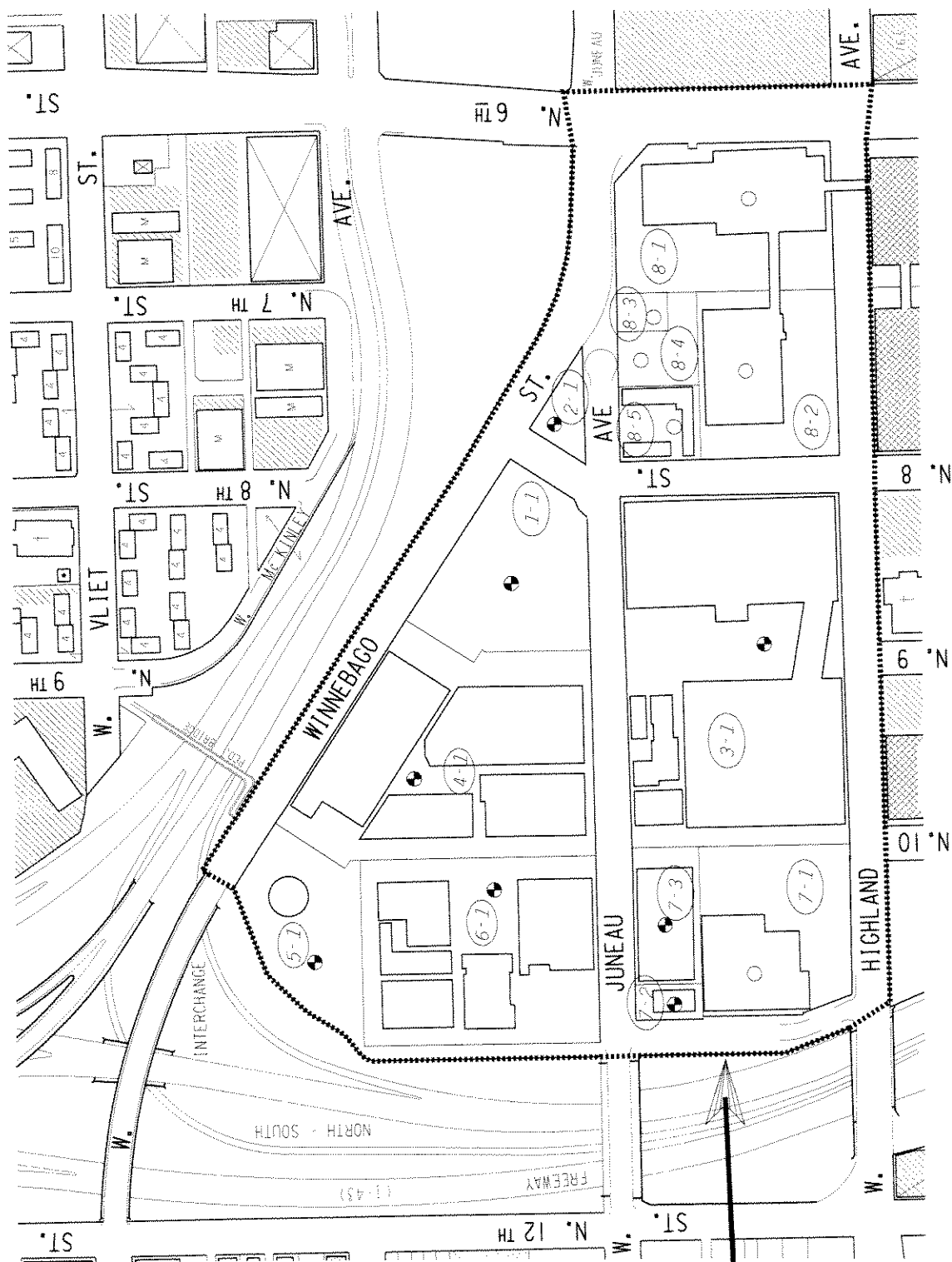
MAP NO. **TID - 58**

1 BOUNDARY AND EXISTING LAND USE

DATE

PREPARED BY: [unreadable]
 CHECKED BY: [unreadable]
 DATE: [unreadable]

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LEGEND

- STANDARD
- ⊕ MINOR DEFICIENCY
- ⊗ MAJOR DEFICIENCY
- SUBSTANDARD



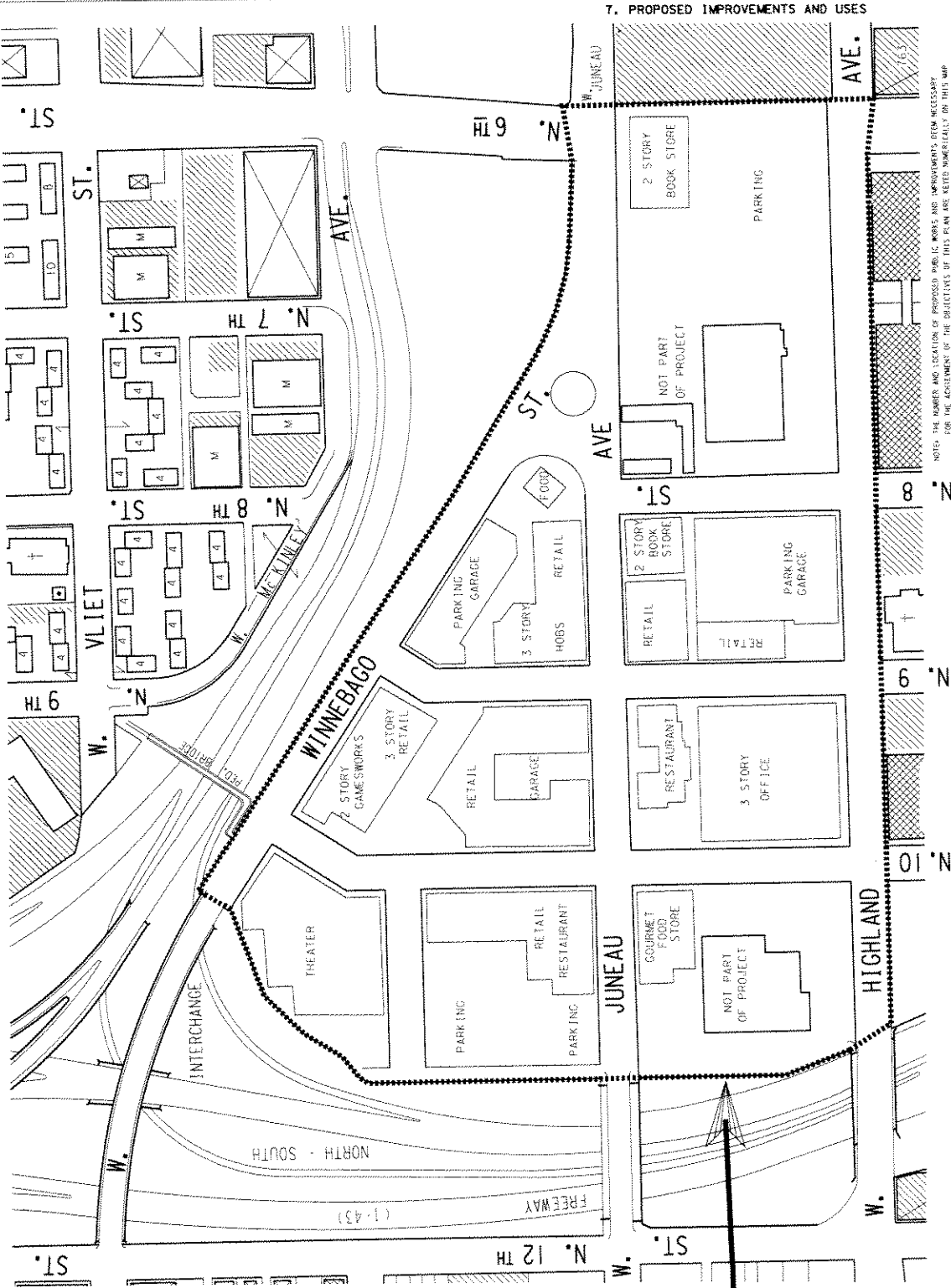
TID BOUNDARY

MAP NO. **TID - 58**

2 STRUCTURE CONDITION

DATE

THIS PROJECT IS THE PROPERTY OF CITY ENGINEERING DEPARTMENT. IT IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM. CITY ENGINEERING DEPARTMENT, 1000 W. JACKSON ST., CHICAGO, IL 60604.



7. PROPOSED IMPROVEMENTS AND USES

NOTE: THE NUMBER AND LOCATION OF PROPOSED PUBLIC WORKS AND IMPROVEMENTS DEEM NECESSARY FOR THE ACHIEVEMENT OF THE OBJECTIVES OF THIS PLAN ARE KEPT NUMERICALLY TO THIS PLAN TO CONFORM WITH THE LISTING PROVIDED AND DESCRIBED IN SECTION 11.0.1.0. OF THIS PLAN.

① FOR EXAMPLE, DETAILS THE PUBLIC WORKS AND IMPROVEMENTS PLANNED FOR NORTH 7TH STREET



TID BOUNDARY

MAP NO.	TID - 58
3	PROPOSED IMPROVEMENTS AND USES
PAGE 1.	DATE
<small> PREPARED BY THE OFFICE OF CITY DEVELOPMENT PLANNING DIVISION 1000 W. WASHINGTON ST., SUITE 200 CHICAGO, ILL. 60607-4000 PHONE: (312) 744-3000 FAX: (312) 744-3001 WWW: WWW.CHICAGO.IL.GOV </small>	

Exhibit 1: Listing of Properties in the District, and designation of "blighted" and "vacant" properties.

BLOCK / PARCEL	TAXKEY	OWNER NAME	Address low	Address high	dir	STREET	ST	Assess Val Land \$	Assess Val Improvement \$	Assess Val Total \$	Lot Area S.F.	Vacant S.F.: Land Val > Repl Cost Improv.	Blighted Area S.F.
1-1	3611535114	JUNEAU AVENUE PARTNERS LLC	810	810	W	JUNEAU	AV	752,700	414,300	1,167,000	94,525	94,525	94,525
2-1	3611554100	MILWAUKEE COUNTY	721	721	W	WINNEBAGO	ST	0	0	0	12,912	0	12,912
3-1	3910257110	JUNEAU AVENUE PARTNERS LLC	915	915	W	JUNEAU	AV	1,802,300	3,394,100	5,196,400	301,000	0	301,000
4-1	3611521110	JUNEAU AVENUE PARTNERS LLC	902	926	W	JUNEAU	AV	1,313,200	710,900	2,024,100	219,303	0	219,303
5-1	3611403113	JUNEAU AVENUE PARTNERS LLC	1003	1011	W	WINNEBAGO	ST	337,300	16,700	354,000	84,063	84,063	84,063
6-1	3611520110	JUNEAU AVENUE PARTNERS LLC	1002	1036	W	JUNEAU	AV	690,400	124,100	814,500	172,050	0	172,050
7-1	3910281111	CITY OF MILWAUKEE	1124	1124	N	11th	ST	0	0	0	97,886	0	0
7-2	3910260100	JUNEAU AVENUE PARTNERS LLC	1037	1037	W	JUNEAU	AV	34,800	33,100	67,900	8,684	0	1,898
7-3	3910286100	JUNEAU AVENUE PARTNERS LLC	1009	1011	W	JUNEAU	AV	141,800	56,000	197,800	35,335	0	35,335
8-1	3611636111	MILWAUKEE AREA TECHNICAL	1101	1101	N	6TH	ST	0	0	0	123,656	0	0
8-2	3611643111	MILWAUKEE AREA TECHNICAL	700	700	W	HIGHLAND	AV	0	0	0	90,895	0	0
8-3	3611637100	MILWAUKEE AREA TECHNICAL	701	701	W	JUNEAU	AV	0	0	0	7,654	0	0
8-4	3611638100	MILWAUKEE AREA TECHNICAL	709	717	W	JUNEAU	AV	0	0	0	21,544	0	0
8-5	3611640110	MILWAUKEE AREA TECHNICAL	739	739	W	JUNEAU	AV	0	0	0	23,600	0	0
								Totals		9,821,700	1,293,107	178,588	921,086
										%	13.8%	71.2%	

Exhibit 2: Detailed estimate of TID Project Costs.

Estimated Capital Costs:

The City, pursuant to a Development Agreement with the Redevelopment Authority of the City of Milwaukee, and Juneau Avenue Partners, LLC, the Developer of Pabst City, will provide funding in the form of grants to the Developer for the project pursuant to Wis. Stats. Sec. 66.1105 (2)(f)(1)(h) – i.e. contributions made under a Redevelopment Plan pursuant to Wis. Stats. Sec.66.1333 (13). The estimated total cost of the Pabst City redevelopment is \$315,066,000, as shown in Exhibit 3, hereto.

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Exhibit 3: Pabst City Project Budget

Preliminary Development Budget: Historic Brewery Redevelopment

Occupancy Category	GSF	Brewery	\$ / SF	Comments
House of Blues	45,000			Based on KA plans dated 12/10/2004
Gameworks	42,000			Based on KA plans dated 12/10/2004
Theatre	72,000			Based on KA plans dated 12/10/2004
Retail	321,400			Based on KA plans dated 12/10/2004
Office	40,000			Based on KA plans dated 12/10/2004
Residential	238,300			Based on KA plans dated 12/10/2004
Condo	142,800			Based on KA plans dated 12/10/2004
Leaseable Gross Square Feet	901,500			
Parking	2,294			
Requirements				
Land		\$10,288,900		Outstanding balance of existing LaSalle loan
Operating Carry to Construction		\$3,000,000		operating costs during construction
Construction Costs				
Demolition / Abatement		\$11,354,190		Revised estimate per Brandenburg Construction
Block 1 - Retail (12,400 s.f)		\$969,894	\$78.22	Turner Construction - January 4, 2005 (See attached detail)
Block 1 - Restaurant (10,000 s.f)		\$885,868	\$88.59	Turner Construction - January 4, 2005 (See attached detail)
Block 1 - Condo (58,800 s.f)		\$7,497,015	\$127.50	Turner Construction - January 4, 2005 (See attached detail)
Block 1 - HOB pad		\$446,000	\$9.91	Turner Construction - January 4, 2005 (See attached detail)
Block 1 - Parking (660 stalls)		\$6,494,213	\$9,840	Turner Construction - January 4, 2005 (See attached detail)
Block 2 - Retail (18,700 s.f)		\$1,369,878	\$72.14	Turner Construction - January 4, 2005 (See attached detail)
Block 2 - Bookstore (35,000 s.f)		\$4,072,259	\$72.14	Turner Construction - January 4, 2005 (See attached detail)
Block 2 - Condo (84,000 s.f)		\$10,733,436	\$127.78	Turner Construction - January 4, 2005 (See attached detail)
Block 2 - Parking		\$0	\$0	Included in Historic Bottling Development budget
Block 2 - Retail (7,800 s.f)		\$0	\$0	Included in Historic Bottling Development budget
Block 3 - Office (242,000 s.f)		\$0	\$0	Included in Historic Bottling Development budget
Block 4 - Retail Square (48,500 s.f)		\$4,077,722	\$84.08	Turner Construction - January 4, 2005 (See attached detail)
Block 4 - Residential (140,700 s.f)		\$18,056,946	\$128.34	Turner Construction - January 4, 2005 (See attached detail)
Block 4 - Retail Food (12,400 s.f)		\$1,043,172	\$84.13	Turner Construction - January 4, 2005 (See attached detail)
Block 4 - Parking (118 stalls)		\$1,763,930	\$14,949	Turner Construction - January 4, 2005 (See attached detail)
Block 4 - Terrace		\$1,036,504		Turner Construction - January 4, 2005 (See attached detail)
Block 4 - Bldg. 9 Lower Level (30,000 s.f)		\$2,247,421	\$74.91	Building 9a - Turner Construction - January 4, 2005 (See attached detail)
Block 4 - Bldg. 9 Mid-Level (28,250 s.f)		\$2,116,321	\$74.91	Building 9b - Turner Construction - January 4, 2005 (See attached detail)
Block 4 - Bldg. 9 Upper Level (33,750 s.f)		\$2,528,348	\$74.91	Building 9c - Turner Construction - January 4, 2005 (See attached detail)
Block 4 - Bldg. 9 Gameworks (40,000 s.f)		\$3,146,389	\$74.91	Building 9d - Turner Construction - January 4, 2005 (See attached detail)
Block 5 - Theatre (72,000 s.f incl. lobby)			\$0	Included in Tenant Allowance
Block 5 - Parking (1,050 stalls)		\$17,766,216	\$16,911	Turner Construction - January 4, 2005 (See attached detail)
Block 6 - Bldg 10 - Retail (14,500 s.f)		\$1,053,675	\$72.67	Turner Construction - January 4, 2005 (See attached detail)
Block 6 - Residential (97,600 s.f)		\$12,405,936	\$126.31	Turner Construction - January 4, 2005 (See attached detail)
Block 6 - New Bldg 10 - Retail (13,000 s.f)		\$906,807	\$69.75	Turner Construction - January 4, 2005 (See attached detail)
Block 6 - Bldg 20 & 21 (19,500 s.f) - Retail		\$1,977,564	\$101.41	Turner Construction - January 4, 2005 (See attached detail)
Block 6 - Retail (5,400 s.f)		\$585,821	\$108.49	Turner Construction - January 4, 2005 (See attached detail)
Block 6 - Parking (296 surface)		\$625,000	\$2,111	Turner Construction - January 4, 2005 (See attached detail)
Block 7 - Retail (40,000 s.f)		\$3,599,220	\$89.63	Turner Construction - January 4, 2005 (See attached detail)
Block 7 - Office (40,000 s.f)		\$3,920,340	\$98.01	Turner Construction - January 4, 2005 (See attached detail)
Landscape / Site Improvements		\$12,715,664	\$0.00	Based on Site Work Estimate 12/9/04. Net of anticipated
Contractor General Conditions		\$0	\$0	embedded credits from WE Energies
Hard Cost Contingency		\$0	\$0	Included in individual project budgets
		\$135,385,749	\$69.15	Includes retail, office, residential and parking square footage

Exhibit 3: Pabst City Project Budget

Preliminary Development Budget: Historic Brewery Redevelopment

Retail/Entertainment Tenant Improvements	60,968,000	Per Terremark Partners
Office Tenant Improvements	1,200,000	\$30 / s.f tenant improvement
Comarts	250,000	Comarts cost for signage and landscape design
Architectural & Engineering - Design	5,415,430	4% of hard costs. Portion of previous architects work will be utilized
Architectural & Engineering - Historic	2,000,000	Plan "A" Architectural Expenses
Facade Surveys	0	Completed for plan "A" by GAS included under predevelopment expenditures
Fees & Permits	0	Included in hard costs
Insurance - Builders Risk / General Liability / Workman's Comp.	2,000,000	Insurance premiums for 24 months of construction
Insurance	476,800	Property / Liability Insurance - 24 months
Inspections	350,000	Estimate for construction and tenant inspection costs
Construction Interest	8,380,343	prime for 24 months - phased in
Tax Credit Bridge Interest	0	
Construction Taxes	300,000	
Title/Recording/Title Insurance	175,000	Estimate for all title and recording fees and expenses
Transfer Taxes	225,000	
Property Taxes	490,000	2 years of estimated property taxes
Appraisals	100,000	
Development Fee	9,387,000	Development fee (3.5% of total budget)
Leasing Commissions	3,076,800	Per Terremark Partners (see leasing detail)
Leasing - Legal	1,040,800	Per Terremark Partners (see leasing detail)
Market Study	100,000	Market studies
Environmental Study / Monitoring	150,000	Ongoing monitoring of environmental remediation efforts; Phase II studies
TIF Related Costs	195,000	Third party fees associated with TIF analysis, structuring and approval
Legal/Accounting	750,000	estimate for organizational and financing legal expenses
Conservation Easement Expense	0	
Financing Fees	2,406,814	1.5 pt for TIF and debt
New Market Financing Fee	2,234,984	4% of Equity. This fee is exclusive of any repayment structure (exit fee)
Pre-Opening/Marketing/Travel/Admin.	1,352,250	\$1.5 / s.f
Predevelopment expenditures	13,000,000	Architectural / Legal / site work / pre-development
Working Capital	2,500,000	Includes site utilities, snow removal, municipal fees, security, site trailers, office expenses,
Soft Cost Contingency	1,000,000	Allowance for unknown items
Total	\$268,198,869	
Sources		
Condominium Parking	-	Included in sales price per Tracy Cross market study
Partnership - Pabst Equity	4,693,500	50% of development fee
Brownfield/Block Grant - State of WI	1,000,000	State of Wisconsin Brownfield Grant
Parking Garage (Financed Separately)	-	
Bottling Building (Tax Credit & Façade Easement)	-	
Tax Increment Financing	39,000,000	Estimate based on hard costs
Easement for Bottling-Office Project	-	\$39 million TIF
New Markets Equity	\$55,874,591	Waveland / Legacy Bank (WHEDA / Other Credits)
Office Tenant Improvements	-	
Construction Loan / First Mortgage	121,454,243	75% Loan-to-value on year 5 cash flows. 20 year amortization and 7% interest rate.
Equity	46,176,536	3rd Party Equity Investor
Total	268,198,869	

Preliminary Development Budget: Historic Bottling Building (Office)

Occupancy Category	
House of Blues	0
Gameworks	0
Theatre	0
Retail	0
Office	217,000
Residential	0
Condo	0
Leaseable Gross Square Feet	217,000
Parking	0

Based on KA plans dated 12/10/2004

Historic Bottling - Office

Comments

Requirements		
Land	\$0	Land and predevelopment costs
Operating Carry to Construction	\$600,000	operating costs during construction
Construction Costs		
Demolition / Abatement	\$1,564,160	Estimate per Brandenburg Construction
Block 1 - Retail (12,400 s.f)	\$0	
Block 1 - Restaurant (10,000 s.f)	\$0	
Block 1 - Condo (58,800 s.f)	\$0	
Block 1 - HOB pad	\$0	
Block 1 - Parking (660 stalls)	\$0	
Block 2 - Retail (18,700 s.f)	\$0	
Block 2 - Bookstore (35,000 s.f)	\$0	
Block 2 - Condo (84,000 s.f)	\$0	
Block 2 - Parking	\$0	
Block 2 - Retail (7,800 s.f)	\$0	
Block 3 - Office (242,000 s.f)	\$17,723,826	Based on estimate provided by Turner & Berghammer Construction
Block 4 - Retail Square (48,500 s.f)	\$0	estimates for 242,000 s.f "cold dark shell"
Block 4 - Residential (140,700 s.f)	\$0	
Block 4 - Retail Food (12,400 s.f)	\$0	
Block 4 - Parking (118 stalls)	\$0	
Block 4 - Terrace	\$0	
Block 4 - Bldg. 9 Lower Level (30,000 s.f)	\$0	
Block 4 - Bldg. 9 Mid-Level (28,250 s.f)	\$0	
Block 4 - Bldg. 9 Upper Level (33,750 s.f)	\$0	
Block 4 - Bldg. 9 Gameworks (40,000 s.f)	\$0	
Block 5 - Theatre (72,000 s.f incl. lobby)	\$0	
Block 5 - Parking (1,950 stalls)	\$0	
Block 6 - Bldg 10 - Retail (14,500 s.f)	\$0	
Block 6 - Residential (97,600 s.f)	\$0	
Block 6 - New Bldg 10 - Retail (13,000 s.f)	\$0	
Block 6 - Bldg 20 & 21 (19,500 s.f) - Retail	\$0	
Block 6 - Retail (5,400 s.f)	\$0	
Block 6 - Parking (296 surface)	\$0	
Block 7 - Retail (40,000 s.f)	\$0	
Block 7 - Office (40,000 s.f)	\$0	
Landscape / Site Improvements	\$2,002,984	Includes park, sidewalks, roads, lighting, landscaping
Contractor General Conditions	\$0	
Hard Cost Contingency	\$531,715	3% of Hard costs
	\$21,822,685	

Preliminary Development Budget: Historic Bottling Building (Office)

Retail/Entertainment Tenant Improvements	0	\$55 / s f for retail space
Office Tenant Improvements	0	
Comarts	0	
Architectural & Engineering - Design	550,000	Per EIU Estimate
Architectural & Engineering - Historic	0	
Façade Surveys	0	
Fees & Permits	0	
Insurance - Builders Risk / General Liability / Workman's Comp.	436,454	Insurance premiums for 24 months of construction
Insurance	35,000	Property / Liability Insurance - 24 months
Inspections	55,000	Estimate for construction and tenant inspection costs
Construction Interest	930,044	prime for 18 months - phased in
Tax Credit Bridge Interest	0	5.75% interest, drawn down over first few months
Construction Taxes	25,000	
Transfer Taxes	35,000	Estimate for all title and recording fees and expenses
Property Taxes	125,000	2 years
Appraisals	30,000	
Development Fee	959,000	Development fee (3.5% of total budget)
Leasing Commissions	0	
Leasing - Legal	0	
Market Study	0	
Environmental Study / Monitoring	25,000	Ongoing monitoring of environmental remediation efforts; Phase II studies
TIF Related Costs	0	
Legal/Accounting	500,000	estimate for organizational and financing legal expenses
Conservation Easement Expense	0	6% of easement equity
Financing Fees	242,620	1.5 pt for TIF and debt
New Market Financing Fee	187,016	
Pre-Opening/Marketing/Travel/Admin.	325,500	\$1.5 / s f
Predevelopment expenditures	0	Architectural / Legal / site work / pre-development /
Working Capital	250,000	
Soft Cost Contingency	300,000	Allowance for unknown items
Total	\$27,368,318	
Sources		
Condominium Parking	-	
Partnership - Pabst Equity	-	
Brownfield/Block Grant - State of WI	1,475,000	State of Wisconsin Brownfield Grant
Parking Garage (Financed Separately)	-	
Bottling Building (Tax Credit & Façade Easement	-	
Tax Increment Financing	-	25% State and Federal Tax Credit
Easement for Bottling-Office Project	-	Loss Development Equity. See attached calculations
New Markets Equity	4,675,409	
Office Tenant Improvements	-	
Construction Loan / First Mortgage	\$16,174,672	70% Loan-to-value on year 5 cash flows. 20 year amortization and 7.5% interest rate.
Equity	\$5,043,238	3rd Party Equity Investor
Total	\$27,368,318	

Preliminary Development Budget: Historic Bottling Building (Parking)

Occupancy Category						
House of Blues	0					
Gameworks	0					
Theatre	0					
Retail	7,800		Based on KA plans dated 12/10/2004			
Office	0					
Residential	0					
Condo	0					
Leaseable Gross Square Feet	7,800					
Parking	1,500					
Historic Bottling - Parking						
Requirements						
Land	\$0					
Operating Carry to Construction	\$0					
Construction Costs	\$500,000				Estimate per Brandenburg Construction	
Demolition / Abatement	\$0					
Block 1 - Retail (12,400 s.f)	\$0					
Block 1 - Restaurant (10,000 s.f)	\$0					
Block 1 - Condo (58,800 s.f)	\$0					
Block 1 - HOB pad	\$0					
Block 1 - Parking (660 stalls)	\$0					
Block 2 - Retail (18,700 s.f)	\$0					
Block 2 - Bookstore (35,000 s.f)	\$0					
Block 2 - Condo (84,000 s.f)	\$0					
Block 2 - Parking	\$15,767,780				Turner Construction - January 4, 2005 (estimate is \$10,512 / stall)	
Block 2 - Retail (7,800 s.f)	\$593,135				Turner Construction - January 4, 2005 (See attached detail)	
Block 3 - Office (242,000 s.f)	\$0					
Block 4 - Retail Square (48,500 s.f)	\$0					
Block 4 - Residential (140,700 s.f)	\$0					
Block 4 - Retail Food (12,400 s.f)	\$0					
Block 4 - Parking (118 stalls)	\$0					
Block 4 - Terrace	\$0					
Block 4 - Bldg. 9 Lower Level (30,000 s.f)	\$0					
Block 4 - Bldg. 9 Mid-Level (28,250 s.f)	\$0					
Block 4 - Bldg. 9 Upper Level (33,750 s.f)	\$0					
Block 4 - Bldg. 9 Gameworks (40,000 s.f)	\$0					
Block 5 - Theatre (72,000 s.f incl. lobby)	\$0					
Block 5 - Parking (1,050 stalls)	\$0					
Block 6 - Bldg 10 - Retail (14,500 s.f)	\$0					
Block 6 - Residential (97,600 s.f)	\$0					
Block 6 - New Bldg 10 - Retail (13,000 s.f)	\$0					
Block 6 - Bldg 20 & 21 (19,500 s.f) - Retail	\$0					
Block 6 - Retail (5,400 s.f)	\$0					
Block 6 - Parking (296 surface)	\$0					
Block 7 - Retail (40,000 s.f)	\$0					
Block 7 - Office (40,000 s.f)	\$0					
Landscape / Site Improvements	\$400,000					
Contractor General Conditions	\$0					
Hard Cost Contingency	\$0					
	\$17,260,915					

Preliminary Development Budget: Historic Bottling Building (Parking)

Retail/Entertainment Tenant Improvements	\$462,000	
Office Tenant Improvements	\$0	
Comarfs	\$0	
Architectural & Engineering - Design	\$0	
Architectural & Engineering - Historic	\$0	
Facade Surveys	\$0	
Fees & Permits	\$0	
Insurance - Builders Risk / General Liability / Workman's Comp.	258,914	Insurance premiums for 24 months of construction
Insurance	\$0	
Inspections	\$0	
Construction Interest	921,707	prime for 18 months - phased in
Tax Credit Bridge Interest	\$0	
Construction Taxes	\$0	
Title/Recording/Title Insurance	\$0	
Transfer Taxes	\$0	
Property Taxes	\$0	
Appraisals	\$0	
Development Fee	\$0	
Leasing Commissions	\$50,400	Per Terremark Partners (see leasing detail)
Leasing - Legal	\$16,800	Per Terremark Partners (see leasing detail)
Market Study	\$0	
Environmental Study / Monitoring	\$0	
TIF Related Costs	\$0	
Legal/Accounting	\$50,000	estimate for organizational and financing legal expenses
Conservation Easement Expense	\$0	
Financing Fees	\$240,445	1.5 pt for debt
New Market Financing Fee	\$78,000	4% fee
Pre-Opening/Marketing/Travel/Admin.	\$90,600	\$1.5 / s / f
Predevelopment expenditures	\$0	
Working Capital	\$0	
Soft Cost Contingency	\$269,219	Allowance for unknown items
Total	\$19,699,001	
Sources		
Condominium Parking	993,938	\$12,500 / stall; 1.5 stalls per condo; 7% cost of sales
Partnership - Pabst Equity	\$0	
Brownfield/Block Grant - State of WI	\$525,000	Brownfield Grant
Parking Garage (Financed Separately)	\$16,029,692	6.5% interest over 30 years
Bottling Building (Tax Credit & Façade Easement)	\$0	
Tax Increment Financing	\$0	
Easement for Bottling-Office Project	\$0	
New Markets Equity	\$0	
Office Tenant Improvements	\$0	
Construction Loan / First Mortgage	\$0	
Equity	\$0	Waveland / Legacy Bank (WHEDA / Other Credits)
Total	19,498,629	

Preliminary Development Budget: Consolidated Budget

Occupancy Category					
House of Blues	45,000	Based on KA plans dated 12/10/2004			
Gameworks	42,000	Based on KA plans dated 12/10/2004			
Theatre	72,000	Based on KA plans dated 12/10/2004			
Retail	329,200	Based on KA plans dated 12/10/2004			
Office	257,000	Based on KA plans dated 12/10/2004			
Residential	238,300	Based on KA plans dated 12/10/2004			
Condo	142,800	Based on KA plans dated 12/10/2004			
Leaseable Gross Square Feet	1,126,300				
Parking	3,794				
Consolidated Budget					
	\$10,288,900				
	\$3,500,000				
	\$13,418,350				
	\$969,894	Revised estimate per Brandenburg Construction			
	\$885,868	Turner Construction - January 4, 2005 (See attached detail)			
	\$7,497,015	Turner Construction - January 4, 2005 (See attached detail)			
	\$446,000	Turner Construction - January 4, 2005 (See attached detail)			
	\$6,484,213	Turner Construction - January 4, 2005 (See attached detail)			
	\$1,369,878	Turner Construction - January 4, 2005 (See attached detail)			
	\$4,072,259	Turner Construction - January 4, 2005 (See attached detail)			
	\$10,733,436	Turner Construction - January 4, 2005 (See attached detail)			
	\$15,767,780	Turner Construction - January 4, 2005 (estimate is \$10,512 / stall)			
	\$593,135	Turner Construction - January 4, 2005 (See attached detail)			
	\$17,723,826	Based on estimate provided by Turner & Berghammer Construction			
	\$4,077,722	Turner Construction - January 4, 2005 (See attached detail)			
	\$18,056,946	Turner Construction - January 4, 2005 (See attached detail)			
	\$1,043,172	Turner Construction - January 4, 2005 (See attached detail)			
	\$1,763,930	Turner Construction - January 4, 2005 (See attached detail)			
	\$1,036,504	Turner Construction - January 4, 2005 (See attached detail)			
	\$2,247,421	Building 9a - Turner Construction - January 4, 2005 (See attached detail)			
	\$2,116,321	Building 9b - Turner Construction - January 4, 2005 (See attached detail)			
	\$2,528,348	Building 9c - Turner Construction - January 4, 2005 (See attached detail)			
	\$3,146,389	Building 9d - Turner Construction - January 4, 2005 (See attached detail)			
		Included in Tenant Allowance			
	\$17,756,216	Turner Construction - January 4, 2005 (See attached detail)			
	\$1,053,675	Turner Construction - January 4, 2005 (See attached detail)			
	\$12,405,936	Turner Construction - January 4, 2005 (See attached detail)			
	\$906,807	Turner Construction - January 4, 2005 (See attached detail)			
	\$1,977,564	Turner Construction - January 4, 2005 (See attached detail)			
	\$585,821	Turner Construction - January 4, 2005 (See attached detail)			
	\$625,000	Turner Construction - January 4, 2005 (See attached detail)			
	\$3,599,220	Turner Construction - January 4, 2005 (See attached detail)			
	\$3,920,340	Turner Construction - January 4, 2005 (See attached detail)			
	\$15,118,648	Based on Site Work Estimate 12/9/04. Net of anticipated embedded credits from WE Energies			
	\$0				
	\$531,715	Included in individual project budgets			
	\$174,469,349				
Requirements					
Land					
Operating Carry to Construction					
Construction Costs					
Demolition / Abatement					
Block 1 - Retail (12,400 s.f)					
Block 1 - Restaurant (10,000 s.f)					
Block 1 - Condo (58,800 s.f)					
Block 1 - HOB pad					
Block 1 - Parking (660 stalls)					
Block 2 - Retail (18,700 s.f)					
Block 2 - Bookstore (35,000 s.f)					
Block 2 - Condo (84,000 s.f)					
Block 2 - Parking					
Block 2 - Retail (7,800 s.f)					
Block 3 - Office (242,000 s.f)					
Block 4 - Retail Square (48,500 s.f)					
Block 4 - Residential (140,700 s.f)					
Block 4 - Retail Food (12,400 s.f)					
Block 4 - Parking (118 stalls)					
Block 4 - Terrace					
Block 4 - Bldg. 9 Lower Level (30,000 s.f)					
Block 4 - Bldg. 9 Mid-Level (28,250 s.f)					
Block 4 - Bldg. 9 Upper Level (33,750 s.f)					
Block 4 - Bldg. 9 Gameworks (40,000 s.f)					
Block 5 - Theatre (72,000 s.f incl. lobby)					
Block 5 - Parking (1,050 stalls)					
Block 6 - Bldg. 10 - Retail (14,500 s.f)					
Block 6 - Residential (97,600 s.f)					
Block 6 - New Bldg 10 - Retail (13,000 s.f)					
Block 6 - Bldg 20 & 21 (19,500 s.f) - Retail					
Block 6 - Retail (5,400 s.f)					
Block 6 - Parking (296 surface)					
Block 7 - Retail (40,000 s.f)					
Block 7 - Office (40,000 s.f)					
Landscaping / Site Improvements					
Contractor General Conditions					
Hard Cost Contingency					

Preliminary Development Budget: Consolidated Budget

Retail/Entertainment Tenant Improvements	\$61,430,000	Per Terremark Partners
Office Tenant Improvements	\$1,200,000	\$30 / s.f tenant improvement
Comarts	\$250,000	Comarts cost for signage and landscape design
Architectural & Engineering - Design	\$5,985,430	4% of hard costs. Portion of previous architects work will be utilized
Architectural & Engineering - Historic	\$2,000,000	Plan "A" Architectural Expenses
Facade Surveys	\$0	Completed for plan "A" by GAS included under predevelopment expenditures
Fees & Permits	\$0	Included in hard costs
Insurance - Builders Risk / General Liability / Workman's Comp.	\$2,695,367	Insurance premiums for 24 months of construction
Insurance	\$511,800	Property / Liability Insurance - 24 months
Inspections	\$405,000	Estimate for construction and tenant inspection costs
Construction Interest	\$10,232,094	prime for 24 months - phased in
Tax Credit Bridge Interest	\$0	5.75% interest, drawn down over first few months
Construction Taxes	\$325,000	
Title/Recording/Title Insurance	\$210,000	Estimate for all title and recording fees and expenses
Transfer Taxes	\$260,000	
Property Taxes	\$615,000	2 years of estimated property taxes
Appraisals	\$130,000	
Development Fee	\$10,346,000	Development fee (3.5% of total budget)
Leasing Commissions	\$3,127,200	Per Terremark Partners (see leasing detail)
Leasing - Legal	\$1,057,600	Per Terremark Partners (see leasing detail)
Market Study	\$100,000	Market studies
Environmental Study / Monitoring	\$175,000	Ongoing monitoring of environmental remediation efforts; Phase II studies
TIF Related Costs	\$195,000	Third party fees associated with TIF analysis, structuring and approval
Legal/Accounting	\$1,300,000	estimate for organizational and financing legal expenses
Conservation Easement Expense	\$0	6% of easement equity
Financing Fees	\$2,889,879	1.5 pt for TIF and debt
New Market Financing Fee	\$2,500,000	4% of Equity. This fee is exclusive of any repayment structure (exit fee)
Pre-Opening/Marketing/Travel/Admin.	\$1,768,350	\$1.5 / s.f
Predevelopment expenditures	\$13,000,000	Architectural / Legal / site work / pre-development
Working Capital	\$2,750,000	Includes site utilities, snow removal, municipal fees, security, site trailers, office expenses, (
Soft Cost Contingency	\$1,569,219	Allowance for unknown items
Total	\$315,266,188	
Sources		
Condominium Parking	\$993,938	
Partnership - Pabst Equity	\$4,693,500	50% of development fee
Brownfield/Block Grant - State of WI	\$3,000,000	State of Wisconsin Brownfield Grant
Parking Garage (Financed Separately)	\$16,029,692	6.5% interest over 30 years
Bottling Building (Tax Credit & Façade Easement	\$0	Estimate based on hard costs
Tax Increment Financing	\$39,000,000	\$39 million TIF
Easement for Bottling-Office Project	\$0	Loss Development Equity: See attached calculations
New Markets Equity	\$62,500,000	Waveland / Legacy Bank (WHEDA / Other Credits)
Office Tenant Improvements	\$0	
Construction Loan / First Mortgage	\$137,628,915	See various budgets
Equity	\$51,219,773	3rd Party Equity Investor
Total	315,065,817	