

**TID 35 - 27<sup>th</sup> & Wisconsin  
Periodic Report  
12/31/08**

**District Created: 1998**

**Authorized expenditure (excluding interest): \$2,187,000**

**Authorizing resolution(s): File #971799**

**Maximum legal life: 2025**

**Base property value: \$2,240,700**

**Completion status: Developers are being actively solicited.**

**Project description**

This district covers the two blocks between N. 26<sup>th</sup> Street, W. Wisconsin Avenue, N. 28<sup>th</sup> Street and W. Michigan Street. 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 commenced.

The Redevelopment Authority had renewed an option to purchase with a private developer in 2007, who planned to build a mixed-use project containing between 60-70 rental units and approximately 13,000–15,000 s.f. of ground floor commercial space, including a US Bank branch that will relocate from 26<sup>th</sup> & Wisconsin Avenue. Plans also called for approximately 16-20 owner-occupied town homes on the site. Total estimated project costs were \$17.5 million.

In 2007, WHEDA turned down the tax credit application for the above-proposed development, effectively ending it. The department is actively recruiting new developers for the site.

Incremental value in the district remains negative.

**Expenditures - Life to Date (as of 12/31/08)**

	<b>Project Plan Budget</b>	<b>Appropriations</b>	<b>Encumbrances</b>	<b>Expenditures</b>	<b>Remaining</b>
Administration	\$ 75,000	\$ 77,490	\$ -	\$ 77,490	\$ -
Public Improvements	1,452,000	2,170,978	25,000	2,019,759	126,219
Loans to Developers	660,000	-	-	-	-
Capitalized Interest	218,700	209,787	-	209,787	-
Total	\$ 2,405,700	\$ 2,458,255	\$ 25,000	\$ 2,307,036	\$ 126,219

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**Revenue/Value Performance (as of 12/31/2008)**

	<b>Projected</b>	<b>Actual</b>
Property value	\$ 5,841,189	\$ 1,512,200
Incremental value	\$ 3,483,467	\$ (728,500)
Incremental taxes	\$ 801,905	\$ 9,833

Is the project within budget?  Yes  No If no, explain:

Is the project on schedule?  Yes  No If no, explain: VFW lawsuit delayed acquisition and demolition. VFW and RACM are still in court as of early 2009.

Identify any significant concerns that might affect budget or schedule of this project in the future:

The previously proposed development did not receive a tax credit allocation, effectively terminating the proposal's feasibility. DCD is actively recruiting potential developers.