

TID 38 - Grange Avenue Project
Periodic Report
12/31/08

District Created: 2000

Authorized expenditure (excluding interest): \$874,000

Authorizing resolution(s): File #991643

Projected TID dissolution:

Maximum legal life: 2027

Base property value: \$200

Completion Status: Project has not begun

Project description

This district encompasses a 6-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 the 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 Corporation (MEDC.) MEDC will be repaid 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 Development Agreement for this project has expired, but can be renewed once a suitable tenant is found. Given the time lapsed in this district, it may be more effective if it is dissolved and recreated, when a tenant is attracted to the property.

In March, 2008 this site was proposed to the US Bowling Congress as a new location for its national headquarters. In addition to the clean-up grant, the proposal included a \$1.5 million contribution to the cost of the facility. Another site, in Cudahy, was also proposed to the USBC. Despite the superior economic packages offered to the organization, it decided to relocate to Arlington, Texas and share office space with the Bowling Proprietors Assn.

District incremental values have increased as follows:

Year	Incremental Value	Increase
2008	\$ 29,000	-4%
2007	\$ 30,200	2%
2006	\$ 29,600	

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Grant/Increment	\$ 874,000	\$ 1,330	\$ -	\$ -	\$ 1,330
Administration	-				-
Total	\$ 874,000	\$ 1,330	\$ -	\$ -	\$ 1,330

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

	Projected	Actual
Property value	\$ 3,300,000	\$ 29,200
Incremental value	\$ 3,299,900	\$ 29,000
Incremental taxes	\$ 653,979	\$ 2,026

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

Is the project on schedule? Yes No If no, explain: Project has been unable to pre-lease space in planned facility. Project is approximately five years behind schedule, but no costs have been incurred.

Identify any significant concerns that might affect budget or schedule of this project in the future: The TID is now eight years into its life with no activity. The department will recommend that it be dissolved. Should opportunities present themselves in the future, a new district can be created, if needed.