

**TID 57 - Harley Davidson Museum
Periodic Report
12/31/08**

District Created: 2005

Authorized expenditure (excluding interest): \$7,200,000

Authorizing resolution(s): File #040781

Maximum legal life: 2032

Base property value: \$0

Completion Status: Museum, archives, restaurant and gift shop opened on July 12, 2008.

Project description

This district was created in 2005 to provide funding for public costs associated with the development of the Harley-Davidson Museum.

After cancelling plans to develop its museum in TID 41 (Time Warner/Manpower), 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 foundations 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 facility was completed in February 2006, at which time the museum's initial site work began.

Long-awaited plans for the museum were unveiled in March 2006 and depict the industrial muscle and open road adventure associated with Harley-Davidson throughout the world.

On July 12, 2008 the museum opened to thousands of guests, including past CEO's and numerous employees, the Mayor, the Governor and Harley enthusiasts from around the world. Rather than cutting a ribbon, a multiple length of "primary chain" was severed with an acetylene torch, opening 105 years of Harley-Davidson history to the public. The museum expects to draw 350,000 visitors annually.

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.

District incremental values have increased as follows:

Year	Incremental Value	Increase
2008	\$ 12,338,800	314%
2007	\$ 2,978,700	260%
2006	\$ 828,200	

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Developer Increments	\$ 7,000,000	\$ 80,154		\$ 80,154	\$ -
Administration	200,000	5,000		-	5,000
Total	\$ 7,200,000	\$ 85,154	\$ -	\$ 80,154	\$ 5,000

This is a Developer Funded TID. As of 12/31/08, \$5,765,000 of TID project costs had been certified. The amounts shown above as Expenditures represent only the actual TID incremental revenue paid out to the project.

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

	Projected	Actual
Property value	\$ 8,224,547	\$ 12,338,800
Incremental value	\$ 7,889,547	\$ 12,338,800
Incremental taxes	\$ 289,284	\$ 381,112

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

Is the project on schedule? Yes No If no, explain:

Identify any significant concerns that might affect budget or schedule of this project in the future: None.