

TID 67 - The Brewery Project
Periodic Report
12/31/08

District Created: 2007

Authorized expenditure (excluding interest): \$29,003,000

Authorizing resolution(s): File #060911

Maximum legal life: 2034

Base property value: \$9,266,900

Completion Status: Initial demolition and remediation reaching completion. Four buildings sold and being renovated.

Project description

The district consists of the redevelopment of the former Pabst Brewery complex located in a 6 ½ block area at the junction of Interstate 43 and the Park East Freeway corridor containing twenty-five buildings with a total floor area of 1,400,000 s.f. The project will ultimately contain a mix of residential, office, educational and supporting retail space.

The Developer is Brewery Project LLC, the sole member of which is Joseph J. Zilber. Initial City funding is limited to \$13.6 million, equivalent to Zilber's acquisition cost of the project, until the incremental value of the TID exceeds \$55 million.

The initial stage of the project provided for the interior demolition and abatement of structures with a combined floor area of 546,000 s.f., the reconstruction of adjacent segments of City streets, the rededication of streets previously vacated, and select demolition of certain buildings.

Thus far, Gorman & Company has acquired building No. 9, along W. Winnebago St., and converted the facility into 95 apartments. Tenants took occupancy in January, 2009. Total development cost is \$16 million. Gorman has also optioned buildings 20 and 21 at Juneau and 10th Streets, and plans to convert them into 61 market-rate apartments.

TMB Development/Dermond Properties converted the former Boiler House, building No. 10 at 1243 N. 10th St. into a 38,000 s.f. office building. Tenants include Inland Companies, AMB Development Group and The Albion Group, architects. Total development cost is \$6.8 million.

Also, building No. 14 was purchased by the BC Pabst Holdings, which will convert this 28,000 s.f. property into space for Cardinal Stritch University. Stritch will bring sixty staff members to this facility, teaching undergraduate, and continuing education courses in a wide range of fields. BC Holdings also acquired building No. 15 and is converting it to 14,000 s.f. of offices.

In 2008, the Developer began construction on a 900 space parking ramp in the center of the campus. This will provide parking for all tenants, including a major restaurant tenant considering space in the former Pabst office and visitor center. This facility is owned separately from the rest of the complex, by Brew City Redevelopment LLC.

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District incremental values are as follows:

Year	Incremental Value
2008	\$ (2,106,900)

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Balance
Administration	\$ 360,000	\$ 500,000	\$ 115,924	\$ 360,752	\$ 23,324
City Infrastructure	6,547,648	2,955,756	11,778	2,035,301	908,677
Developer Infrastructure	5,139,884	2,830,829		2,497,331	333,498
Demo & Abatement	9,393,205	6,794,363		6,695,702	98,661
Historic Preservation Easements	7,061,535	1,019,613		907,613	112,000
Job Training	500,000	-		-	-
Capitalized Interest	2,900,227	18,652		841,518	(822,866)
Total	\$ 31,902,499	\$ 14,119,213	\$ 127,702	\$ 13,338,217	\$ 653,294

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

	Projected	Actual
Property value	\$ 8,183,154	\$ 7,160,000
Incremental value	\$ 160,454	\$ (2,106,900)
Incremental taxes	\$ 3,628	\$ -

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.