

**TID 70 – 735 N. Water St.
Periodic Report
12/31/08**

District Created: 2007

Authorized expenditure (excluding interest): \$3,236,000

Authorizing resolution(s): File #060961

Maximum legal life: 2034

Base property value: \$12,000,000

Completion Status: Project on hold.

Project description

This project involves the redevelopment of the office buildings at 731 and 735 N. Water Street. The 735 N. Water Street property is the former headquarters of the First Wisconsin National Bank, and is the only office building in Milwaukee designed by Daniel Burnham. This property was recently designated a Milwaukee landmark. Improvements to this building include a connection to the Milwaukee skywalk system, façade restorations, creation of new restaurant space, tenant improvements, and restoration of its riverwalk.

The program for 731 N. Water Street, which has been vacant for over 30 years, includes asbestos removal and abatement, conversion of the eastern half of the building to an elevator-driven parking ramp, and the development of seven high-end condominiums in the western half of the building, overlooking the Milwaukee River.

The TID is proposed to provide \$1.5 million of gap financing for the overall project, and \$1,554,000 to renovate the riverwalk adjacent to the buildings, including ADA access improvements. The overall cost of the project is \$23 million.

As of early 2008, the owner decided to explore a sale of the property. Should a sale take place, the TID would not be funded unless the new owner agrees to a development program identical to that which has been approved. Any new development program would require future underwriting by the City, and consequently, the project has been delayed.

District incremental values have increased as follows:

Year	Incremental Value
2008	\$ (450,800)

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Administration	\$ 120,000	\$ -	\$ -	\$ -	\$ -
Riverwalk Improvements	1,554,000	-	-	-	-
Gap Financing	1,500,000				-
Contingency	62,000	-	-	-	-
Capitalized Interest	323,600			-	-
Total	\$ 3,559,600	\$ -	\$ -	\$ -	\$ -

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

	Projected	Actual
Property value	\$ 15,023,856	\$ 14,690,100
Incremental value	\$ 2,723,856	\$ (450,800)
Incremental taxes	\$ 61,583	\$ -

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

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

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