

**TID 71 – Mitchell Street
Periodic Report
12/31/08**

District Created: 2008

Authorized expenditure (excluding interest): \$ 3,118,000

Authorizing resolution(s): File #071132

Maximum legal life: 2035

Base property value: \$ 52.8 million

Completion Status: Ongoing

Project description

The Mitchell Street Tax Increment District consists of 281 properties located along, and generally one block north and south of W. Mitchell Street between S. 5th Street and S. 16th Street, plus a commercial area south of W. Forest Home Ave. between S. 13th Street and S. 15th Street. The District contains nearly 2.3 million s.f. of land area, excluding public rights-of-way, and encompasses the Historic Mitchell Street commercial district, including immediately adjacent residential areas, and parking lots which serve the retail business on the Street.

Mitchell Street has served as the major retail center for Milwaukee's south side for decades. The street has over 130 businesses, predominantly retailers.

Like all neighborhood shopping districts, Mitchell St. has had to confront increasing competition from the constantly changing retailing industry. In the 1970's, in an effort to counteract the loss of sales to shopping malls, Mitchell Street was converted to a pedestrian mall, which still permitted traffic and mass transit on the street, but replaced on-street parking with widened pedestrian walkways. In the 1990's, in response to declining sales and the trend toward auto-oriented big-box retailing, the pedestrian mall concept was abandoned, the street reopened to on-street parking, with plazas and closed streets were removed to allow greater vehicular access via intersecting north and south streets.

Most recently, Mitchell Street has begun to lose its unique anchor tenants, both large and small. This includes the loss of several bridal stores which had previously made the street a destination for brides throughout the metropolitan area. Also closing in the recent past was Kunzelman Esser, a furniture store with a metropolitan draw. This facility has been converted to affordable-income apartments, but the ground floor retail space remains vacant. In October 2007, Goldmann's department store closed its doors after 111 years. The developer which purchased the building is still pursuing financing for a multi-tenant retail and office project.

Another icon of Mitchell Street is the Modjeska Theater. This former vaudeville and movie theater was recently purchased by Modjeska Theater Project, LLC a joint venture between the Mitchell St. Development Opportunities Corp. (MSDOC) and the Modjeska Theater Co. (MTC), a non-profit theater company. Plans are to address numerous exterior and interior renovation requirements in the building and expand its programming to include other performance groups and also to function as meeting and convention space. Estimates of renovation costs range from \$7.5 million to \$8.9 million. The time horizon for the Modjeska project is expected to be several years.

In addition to the retailing and land use challenges it faces, Mitchell Street also needs to address continuing security needs which affect its customer base and its ability to continue as a

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regional retailing center. Theft from vehicles and vandalism are ongoing challenges. Broken windows and graffiti continue to be costly to property owners.

Consequently, the Project Plan proposes certain public improvements and funding to address the types of specific building issues discussed above, and to also establish an ongoing economic development fund to address future development opportunities.

Similar TIDs have been created for other neighborhood commercial districts, including: TID 32, N. King Drive; TID 40, W. North Ave.; and, TID 59 Bronzeville.

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

	Project Plan Budget	Appropriations	Encumbrances	Expenditures	Remaining
Administration	\$ 200,000	\$ 200,000	\$ -	\$ 16,844	\$ 183,156
Public Improvements	846,600	846,500	-	10,570	835,930
Resident. Improve. Loans	400,000	400,000		45,000	355,000
Contingency	171,400	-	-	-	-
Development Fund	1,500,000			-	-
Capitalized Interest					
Total	\$ 3,118,000	\$ 1,446,500	\$ -	\$ 72,414	\$ 1,374,086

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

	Projected	Actual
Property value	\$ 52,864,000	\$ -
Incremental value	\$ -	\$ -
Incremental taxes	\$ -	\$ -

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.