

Tower site revamp to cost \$34 million

It will be one of city's most costly projects

By Tom Daykin of the Journal Sentinel

Posted: July 14, 2009

It will cost \$34.5 million to buy and redevelop 84 acres of the former Tower Automotive Inc. site, and to make other improvements in the adjacent north side neighborhood, making it among the city Redevelopment Authority's costlier projects in recent years, according to new details disclosed Tuesday.

Around \$25.6 million will come from city funds.

Of that amount, \$15.6 million would be repaid through property taxes generated by new development at the site, and improvements in the surrounding neighborhood, and by selling parcels within a business park to be created at the Tower site, according to the Department of City Development.

Another \$8.9 million will be funded through state and federal grants and tax credits, said James Scherer, a department official. He spoke at a meeting of the Redevelopment Authority's board, which approved plans to buy and redevelop the site. Those plans also need Common Council approval.

The authority plans to demolish most of the former Tower buildings being acquired. The site is bordered roughly by W. Capitol Drive, the Soo Line railroad tracks, W. Townsend St. and N. 27th St.

Most of the site will be redeveloped into a 58-acre business park that will be similar to the Menomonee Valley Industrial Center, which the authority redeveloped from a former rail yard, east of Miller Park. Other uses include 17 acres for retail businesses along Capitol Drive, Scherer said, and 5 acres for housing along Hopkins St.

The city plans to complete its \$3.5 million acquisition of the 84-acre site this year, with demolition and environmental cleanup, costing an estimated \$18.1 million, occurring in 2010 through 2012, said Benjamin Timm, a department official.

New streets and other public improvements, costing \$4.2 million, would be built in 2012 and 2013, with business park sites available for purchase by 2013. Other costs include so-called soft costs, such as legal and marketing expenses, of \$2.7 million, and a \$3.1 million contingency fund, Scherer said.

The authority would buy the Tower site from a group led by demolition contractor Jerry Blomberg. The city will pay \$1 million to relocate storage operations, scrap yards and other businesses located at the site.

The business park eventually would house companies with 700 to 1,000 employees, according to department estimates.

The project will bring jobs to an area marked by crime and poverty, said Development Commissioner Rocky Marcoux. He said the Tower site, located around two miles west of I-43, poses a greater challenge than the Menomonee Valley site, which is just south of I-94.

However, the Tower site is close enough to I-43 to be attractive to businesses, said Tim Casey, a broker with Equity Commercial Real Estate and past-president of the 30th Street Industrial Corridor Corp., a group that encourages development in that area. Casey also cited as advantages the location's access to railroad tracks, and declines in most major crimes in Milwaukee during the first half of 2009.

Plans for the Tower site were first disclosed last week.