

..Number

100534

..Version

PROPOSED SUBSTITUTE B

..Reference

..Sponsor

ALD. BAUMAN

..Title

Substitute resolution approving the First Amendment to the Cooperation, Reimbursement and Redevelopment Agreement (Harley-Davidson Museum Project).

..Analysis

The Cooperation, Reimbursement and Redevelopment Agreement for the Harley-Davidson Museum provides for three phases of development, the first two of which, including the main museum, archive building, conference/reception facility and restaurants, were completed in June of 2008. The Agreement requires the developer to complete Phase III within 36 months of completion of Phase II.

The developer has indicated that, due to current economic conditions, it is unable to proceed with Phase III at this time. This resolution approves an amendment to the Agreement which provides for completion of Phase III within 72 months of completion of Phase II (rather than 36 months), effectively extending the deadline for completion to June, 2014.

..Body

Whereas, The City of Milwaukee, the Redevelopment Authority of the City of Milwaukee and H-D Milwaukee, LLC entered into a Cooperation, Reimbursement and Redevelopment Agreement ("Agreement") dated as of February 1, 2005, providing for the development of a three-phase, 230,000 square-foot Harley-Davidson museum complex at a cost of \$95 million to be located at North 6th and West Canal Streets in Milwaukee; and

Whereas, Phases I and II of the complex -- consisting of the main museum structure, archive building, conference/reception facility and restaurants -- were completed in June of 2008; and

Whereas, The Agreement requires Phase III of the complex -- consisting of one or more office and/or commercial structures totaling approximately 100,000 square feet -- shall be substantially completed within 36 months of issuance of an occupancy permit or permits for all of Phase II (i.e., by June, 2011); and

Whereas, Harley-Davidson, Inc. has indicated that due to the deep recession, especially affecting real estate and Harley-Davidson's operations (wholesale shipments are expected to be down in 2010 more than 40 percent from the peak in 2006), it is not able to proceed with Phase III at the present time; and

Whereas, The Common Council finds that it is in the best interest of the City and its taxpayers to give the developer an additional three years to complete Phase III of this project; and

Whereas, The September 13, 2010, version of the First Amendment to the Agreement, a copy of which is attached to this Common Council File, requires Phase III to be completed within 72 months of Phase II, rather than 36 months; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the September 13, 2010, version of the First Amendment to the Cooperation, Reimbursement and Redevelopment Agreement is approved and that the proper City officials are directed to execute such First Amendment on behalf of the City.

..Requestor

..Drafter

LRB121732-2

JDO

09/13/2010