

..Number

131580

..Version

PROPOSED SUBSTITUTE A

..Reference

971894, 990115, 000430

..Sponsor

ALD. BAUMAN

..Title

Substitute resolution approving Amendment No. 3 to the Project Plan for Tax Incremental District No. 37 (Grand Avenue) and authorizing expenditures, in the 4th Aldermanic District.

..Analysis

The Common Council created Tax Incremental District No. 37 in 1998 to stimulate the retail and hospitality market in and around The Grand Avenue Retail Center. The TID has funded a \$2 million loan for the Marriott Suites Hotel at North 3rd and Michigan Streets, \$9.4 million of grants and loans to redevelop the former Marshall Fields building and \$5 million to assist in renovating the Boston Store retail space and regional offices.

The Boston Store's operating covenant and lease for its retail space expired in 2012, and the store has been functioning under a year-to-year lease ever since. This Amendment will provide up to \$300,000 annually to the store's owners, Bon-Ton Stores, Inc., provided the lease and operating covenant is extended to January, 2020, and the company retains not less than 750 full-time equivalent positions at the retail facility and its regional headquarters. Funding provided through the amendment will be used for leasehold improvements, equipment, working capital, advertising and promotion. This funding will help offset the store's operating losses.

..Body

Whereas, On June 16, 1998, the Common Council adopted File Number 971894, a resolution creating Tax Incremental District ("TID") No. 37 (Grand Avenue) and approving its Project Plan; and

Whereas, Pursuant to s. 66.1105(4)(h)(l), Wis. Stats., on February 20, 2014, the Redevelopment Authority of the City of Milwaukee conducted a public hearing on Amendment No. 3 to the Project Plan for TID No. 37, a copy of which is attached to this Common Council File; and

Whereas, Section 66.1105(4)(g) and (h)(1), Wis. Stats., provides that an amendment to a Project Plan shall be approved by the Common Council with the adoption of a resolution which contains findings that such amendment is feasible and in conformity with the Master Plan of the City; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that, with respect to Amendment No. 3 to the Project Plan for Tax Incremental District No. 37 (dated March 7, 2014), the Common Council finds and determines as follows:

1. The Amendment retains the existing boundaries of the District and does not alter the number of properties within the District. Therefore, the findings made in File No. 971894, pursuant to s. 66.1105(4)(gm) 1 and 4, Wis. Stats., are unchanged.

2. The Amendment revises the project costs to be supported by the District and revises the forecast of District Cash Flow and District Financial Feasibility analysis that is part of the Project Plan and makes related changes regarding the timing of project costs and methods of financing.

3. Project costs provided in the Amendment relate directly to promoting and retaining development consistent with the City's Master Plan and with the purpose(s) for which the District was created under s. 66.1105(4)(gm)4a, Wis. Stats.

4. The percentage of the aggregate value of the equalized taxable property of the District, plus the incremental value of all other existing Tax Incremental Districts, does not exceed the statutory maximum 12 percent of the aggregate value of total equalized value of taxable property within the City.

; and, be it

Further Resolved, That Amendment No. 3 to TID No. 37 (dated March 11, 2014) is approved; and, be it

Further Resolved, That the Common Council finds that the Project Plan for said District, as amended, is feasible, in conformity with the Master Plan for the City and will promote the orderly development of the City; and, be it

Further Resolved, That:

1. The City Clerk is directed to notify the Wisconsin Department of Revenue in such form as may be prescribed by said Department of the approval of this Amendment pursuant to the provisions of Section 66.1105(5), Wisconsin Statutes.

2. The City Comptroller is directed to transfer the sum of \$1,806,000, plus capitalized interest for two years, if necessary, from the Parent TID Account to the Project Account No. TD03780002, or to appropriate available tax incremental revenue from TID No. 37, or a combination of both funding sources, all for the purpose of providing the necessary funding for the Amendment.

3. The City Comptroller, in conjunction with the Commissioner of the Department of City Development, is directed to perform such acts and to create such accounts and subaccounts and make appropriate transfers upon written request by the Department of City Development for all revenue or expenditure activity under this resolution.

4. The proper City officials are directed to execute, on behalf of the City, a Cooperation Agreement with the Redevelopment Authority providing for the granting of funds to the Redevelopment Authority such that the Redevelopment Authority may make a grant for the Project, specified in the Amendment, on the terms and conditions set forth in the Term Sheet, which is attached to the Amendment.

..Requestor

..Drafter

LRB151457-2

Jeff Osterman

03/11/2014