

LRB - FISCAL SECTION ANALYSIS
JULY 20, 2004 AGENDA
ZONING & NEIGHBORHOOD DEVELOPMENT COMMITTEE

ITEM 29, FILE 040397
EMMA J. STAMPS

File #040397 is a resolution authorizing execution of a Supplemental Development Agreement, North Avenue Commerce Center Project-Phase 1. (DCD and City Attorney)

Background and Discussion

1. The City of Milwaukee, RACM, and the North Avenue Commerce Center, LLC, have previously entered into a Development Agreement for the North Avenue Commerce Center Project - Phase I dated as of September 27, 1994, amended August 1, 2002.
2. The Project addressed by the Development Agreement is located in Tax Incremental District No. 21 and in the North 26th Street-West North Avenue Redevelopment Project Area.
3. The Wisconsin DNR has ordered remediation of environmental contaminants found on the project area. The DNR has not determined whether certain contaminants on site have been fully remediated.
4. Therefore, RACM and city counsel recommend entering into a supplemental development agreement to extend its indemnification to PIC Services, LLC, relative to the environmental condition of the site prior to its conveyance to North Avenue Commerce Center LLC.
5. This substitute resolution approves an Agreement, to extend the City's and RACM's environmental indemnification to the new owner of the North Avenue Commerce Center Project - Phase I at North 27th Street and West North Avenue because the DNR has not granted closure on the environmental contamination of the property.
6. North Avenue Commerce Center, LLC, has conveyed the Project to PIC Services, LLC, an entity affiliated with the Private Industry Council of Milwaukee.
7. LRB was unable to confirm the intended site uses at the time of this writing.
8. The Agreement also requires a payment in lieu of taxes be made to the City by the new owner, PIC Services, LLC, if it receives a tax exemption.

Fiscal Impact

The fiscal impact is uncertain and shall be based on pending litigation.

cc: Barry Zalben
Jeannie Laskowski

W. Martin Morics
James Scherer

Prepared by: Emma J. Stamps X8666
LRB-Fiscal Review

Joseph Czarnecki

Atty. Tom Gartner

July 19, 2004