



Michael J. Murphy
City of Milwaukee Common Council

September 11, 2015

Secretary Scott Neitzel
Department of Administration
101 E Wilson Street, 10th Floor
Madison, WI 53703

RE: Wisconsin Center District and Milwaukee Sports Arena

Dear Secretary Neitzel,

As president of the governing body of the City of Milwaukee, s. 229.42 (4)(b) requires that I provide you, as Chairperson of the Interim Wisconsin Center District Board, with three new appointments to the interim Wisconsin Center District Board (WCD). In addition to my appointments, this letter outlines areas where I believe improvements should be made as they relate to agreements the WCD will enter with the Milwaukee Bucks.

Interim WCD Appointments

1. Michael J. Murphy, City of Milwaukee Common Council President, 414-286-3763, mmurph@milwaukee.gov
2. Robert Bauman, City of Milwaukee Alderman, 4th District, 414-286-3774, rjbauma@milwaukee.gov
3. Milele A. Coggs, City of Milwaukee Alderwoman, 6th District, 414-286-2994, mcoggs@milwaukee.gov

Non-Relocation Agreement

As you know, the state legislation outlining the framework related to the Milwaukee sports arena stipulates that the professional basketball team (the Bucks) shall not relocate to another political subdivision during the term of the lease and, should the team be sold or ownership transferred, any new owner is subject to the team's obligations under the non-relocation agreement. Should the team breach that agreement, the state, district, City and County may act collectively or individually to seek injunctive relief as well as liquidated damages as defined in s. 229.461(4)(a).

While I appreciate that penalties have been included in the state legislation should the Bucks breach the non-relocation agreement, I do not believe they are strong enough to ensure that the Bucks must remain in the City of Milwaukee. Considering the public investments being made by several

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governmental entities, by some calculations exceeding \$400 million with the inclusion of interest paid over the next 20 years, I believe it is our obligation and in our collective interest—the state, the district, the City of Milwaukee, and Milwaukee County—to include stronger penalties into the non-relocation agreement to ensure the Bucks stay in their Milwaukee home and our public investments are protected.

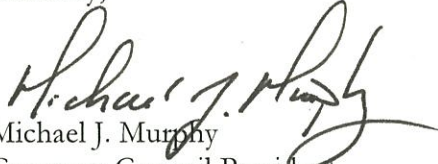
Public Funds and Development

Should the Milwaukee Common Council pass files 150384 and 150383, the former related to the amendment of Tax Incremental District (TID) 22 and the latter to the creation of TID 84, the city will contribute \$47 million in financing to the public financing package totaling \$250 million towards the Milwaukee Bucks arena package. While we anticipate that the city will enter into its own disbursement agreement with the Bucks for the city's contribution, in the event that the parties decide to enter into an intergovernmental cooperation agreement with regard to disbursement of the funds, it is critical that the WCD closely monitor any funds held by the WCD for this project to guarantee that city funds are only applied towards "public" improvements (i.e. the parking structure and the public plaza) in order to keep the tax-exempt status of the City's bonds.

As Secretary of the Department of Administration and now the interim chair of the WCD, I know you will protect the public's interest and guarantee that this project is a success for the residents of the City and our State. As you know well, the development agreement, lease and non-relocation agreement are critical components to the viability of the public investment in this project. While I recognize the state legislature has bestowed on you, as interim chair, extraordinary power to execute these agreements unilaterally without the approval of the board, I urge you to consult with, and seek approval from, the board throughout the negotiation process with the Bucks and prior to entering any agreements.

I look forward to working with you at the Wisconsin Center District to ensure that the Milwaukee Bucks arena and its anticipated ancillary development result in a catalytic and transformative process for the City of Milwaukee.

Sincerely,


Michael J. Murphy
Common Council President

Cc: Council Members
Mayor Tom Barrett
Mary Schanning