

## Block 3 –GPD Design Standards and Site Statistics

(Work in Phase 2 of the development)

### Design Standard

### GPD Design Standards

Building Height

The buildings will be a minimum of 4 stories in height and up to a maximum of 20 stories.





## Legislation Text

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**File #: 150383, Version: 2**

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150383  
SUBSTITUTE 2

ALD. BAUMAN

Substitute resolution approving a Project Plan, a Development Agreement, authorizing expenditures, creating Tax Incremental District No. 84 (West McKinley and West Juneau), declaring the City-owned parking structure at 324 West Highland Avenue surplus to municipal needs and approving Land Disposition Reports and authorizing conveyance of 324 West Highland Avenue and 300-18 West Juneau Avenue to the Milwaukee Bucks, LLC, in the 4th and 6th Aldermanic Districts.

Tax Incremental District No. 84 ("District") consists of 70 properties totaling 44.82 acres, including the Bradley Center and Park East land west of the Milwaukee River. The District is being created to assist with the development of a \$500 million new arena in downtown Milwaukee and up to an additional \$500 million in private development on surrounding properties.

The District will fund a total of up to \$20,000,000 in project costs. A \$12,000,000 grant for the plaza associated with the new downtown arena project will be repaid to the City of Milwaukee through incremental tax revenue from the District. After the City is repaid, an annual payment will be made to the Bucks from incremental tax revenue in the District, not to exceed an amount sufficient to repay up to \$8,000,000, at 4.5 percent interest.

In addition, this substitute resolution declares the City-owned parking structure at 324 West Highland Avenue surplus to municipal needs and approves the Land Disposition Reports and conveyance of 324 West Highland Avenue and the Redevelopment Authority of the City of Milwaukee-owned parcel at 300-18 West Juneau Avenue to the Milwaukee Bucks, LLC.

Whereas, Chapter 105 of the Laws of 1975 of the State of Wisconsin, with amendments from other chapters of said Laws, created Section 66.1105, Wisconsin Statutes, titled "Tax Increment Law;" and

Whereas, Section 66.1105(4) of the Tax Increment Law sets forth certain criteria that the Common Council of the City of Milwaukee ("Common Council") and the Redevelopment Authority of the City of Milwaukee ("Authority") must follow to create a Tax Incremental District ("TID" or "District") and approve a Project Plan for a TID; and

Whereas, Pursuant to Section 66.1105(4) (a) through (gm), Wisconsin Statutes, on July 2, 2015 the Authority conducted a public hearing on the Project Plan, designated the boundaries of the District and recommended that the District be created and submitted such recommendation to the Common Council for approval with a proposed Project Plan for the District ("Plan"), a copy of which is attached to this Common Council File; and

Whereas, Under the provisions of Section 66.1105(4) (gm)4.a., Wisconsin Statutes, not less than 50 percent, by area, of the real property within a proposed District must qualify as either a "blighted area" within the meaning of Section 66.1105(2) (a), Wisconsin Statutes; an area "in need of rehabilitation or conservation work" as defined in Section 66.1337 (2m) (a), Wisconsin Statutes; must be suitable for "industrial sites" within the meaning of Section 66.1101, Wisconsin Statutes, and be zoned for industrial use; or must be "suitable for mixed-use development" as defined in Section 66.1105(2) (cm), Wisconsin Statutes; and

Whereas, More than 50 percent, by area, of the real property in the District was found by the Authority to be a "blighted area," as defined above; and

Whereas, The Plan contains statements and other factual information indicating that the improvement of such area is likely to enhance significantly the value of real property in the District; and that project costs directly serve to promote development of the District consistent with the purpose(s) for which the District is created under Section 66.1105(4)(gm)4.a., Wisconsin Statutes; and

Whereas, The City Plan Commission determined that the City-owned parking structure at 324 West Highland Avenue is surplus to municipal needs; and

Whereas, The Department of City Development recommends the sale of 324 West Highland Avenue and submits herewith a Land Disposition Report, a copy of which is attached to this Common Council File, describing the terms and conditions of the proposed sale; and

Whereas, The Authority will hold a Public Hearing on the proposed sale of 300-18 West Juneau Avenue as required by Wisconsin Statutes; and

Whereas, Pursuant to Wisconsin Statutes and as a condition precedent to the sale, lease or transfer of land, the Authority submits herewith a Land Disposition Report, a copy of which is attached to this Common Council File, describing the terms and conditions of the proposed sale; and

Whereas, The City of Milwaukee's ("City") participation in the funding of the new arena is contingent upon the State of Wisconsin ("State") passing legislation necessary to authorize other public contributions toward the arena construction in a total amount, including the City's contribution, of \$250 million; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that it finds and determines as follows:

1. The District is a "blighted area" within the meaning of Section 66.1105(2)(ae), Wisconsin Statutes.
2. The improvement and/or development of such area, as hereinafter provided, is likely to enhance significantly the value of substantially all of the other real property in and adjoining the District.
3. Project costs relate directly to promoting development consistent with the City's Master Plan and with the purpose(s) for which the District is created under Section 66.1105(4)(gm)4.a., Wisconsin Statutes.
4. The percentage of the aggregate value of the equalized taxable property of the District, plus the incremental value of all other existing TIDs, 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 the District is created as of January 1, 2015, and that the boundaries of the District are approved as described and more precisely set forth in the Plan; and, be it

Further Resolved, That the Plan is approved as the "Project Plan" for the District and that the Plan 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 apply to the Wisconsin Department of Revenue for a "Determination of Tax Increments and Tax Incremental Base," for the District pursuant to the provisions of Section 66.1105(5), Wisconsin Statutes.
2. Pursuant to the provisions of Section 66.1105(5)(f), Wisconsin Statutes:
  - a. The Assessment Commissioner is directed to identify upon the assessment roll, returned and examined under Section 70.45, Wisconsin Statutes, those parcels of property, which are within the District, specifying thereon the name of the District.
  - b. The City Clerk is directed to make notations on the tax roll for the District similar to those required to be made under Section 70.65, Wisconsin Statutes.
3. The District shall be designated Tax Incremental District No. 84.
4. The City Comptroller is directed to transfer the sum of up to \$20,000,000, plus capitalized interest for two years, if necessary, from the Parent TID Account to the Project Account No. 0336-1910-TD08480000 for the purpose of providing the necessary funding for implementation of the Plan.
5. Relative to the \$8,000,000 Developer-funded contribution provided for in the Plan, a variance is authorized from the procedures of Common Council File No. 68-461-x, being the Guidelines for the Control of Capital Expenditures, and directs the City Comptroller to establish the appropriate accounts within the TID Project Account, No. 0336-1910-TD08480000, to appropriate tax incremental collections equal to the total required to repay the City contribution to the Bucks, as provided in the Term Sheet for the District, in such amounts as set forth in the Plan, as shall be necessary to implement the Plan.
6. The City Comptroller is directed to establish all accounts and to make all appropriation transfers upon request by the Department of City Development for all revenue or expenditure activity under this resolution; and, be it

Further Resolved, That there is not sufficient tax incremental revenue available for street-paving projects within one-half mile of the District, therefore, per the requirement of Milwaukee Code of Ordinances, Section 304-95-1, the Common Council waives the requirement to include such costs in the Plan; and, be it

Further Resolved, That the proper City officials are directed to enter into a Development Agreement for the purposes of implementing the Plan on terms substantially in accordance with the Term Sheet for TID No. 84, which is Exhibit 4 of the Plan; and, be it

Further Resolved, That the property at 324 West Highland Avenue is declared surplus to municipal needs and its conveyance to the Milwaukee Bucks, LLC, or its affiliate, is authorized in exchange for the conveyance to the City of the newly constructed parking structure described in the Term Sheet and the Land Disposition Report; and, be it

Further Resolved, That conveyance of the Authority-owned property at 300-18 West Juneau Avenue to the Milwaukee Bucks, LLC, or its affiliate, is approved conditioned on Authority approval, as described in the Term Sheet attached to the Plan and the Land Disposition Report; and, be it

Further Resolved, That the proper City officials are directed to execute any additional documents and instruments necessary to carry out the provisions of the Development Agreement and to implement the Plan; and, be it

Further Resolved, That this resolution shall not be effective until such time that the Commissioner of the Department of City Development confirms that the State has passed legislation necessary to authorize other public contributions toward the arena

construction in the total amount, including the City's contribution, of \$250 million.  
DCD:Dan.Casanova:dac  
09/10/15

## Site Statistics:

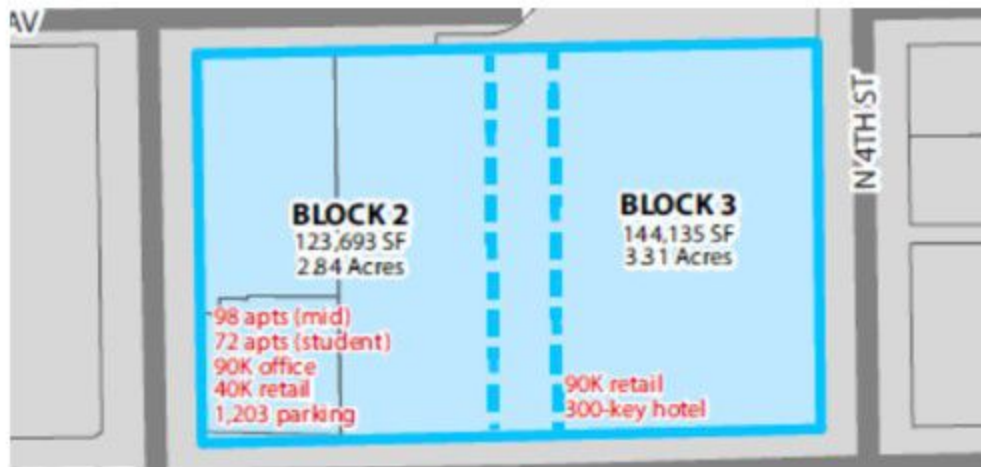
Gross Land Area 144,135 sf

(295-907,2,b-1-a)

Maximum amount of land covered by principal buildings. 124,628 sf

86%

(295-907,2,b-1-b)



**16.004 (22)** PAYMENT TO BRADLEY CENTER SPORTS AND ENTERTAINMENT CORPORATION. During the 2015–17 fiscal biennium, from the appropriation under s. 20.855 (4) (cy), the secretary may make one or more grants to the

**SECTION 5.** 16.58 (3) of the statutes is created to read: 16.58 (3) The department may provide financial consulting services to a local exposition district created under subch. II of ch. 229.

**SECTION 6.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert the following amounts for the purposes indicated:

				2015–16	2016–17
<b>20.855</b>	<b>Miscellaneous appropriations</b>				
(4)	TAX, ASSISTANCE AND TRANSFER PAYMENTS				
(cr)	Transfer to local exposition district	GPR	A	–0–	4,000,000
(cy)	Payment to Bradley Center Sports and Entertainment Corporation	GPR	B	10,000,000	–0–
(dr)	Transfer to local exposition district	GPR	A	–0–	4,000,000

**SECTION 9.** 20.855 (4) (cr) of the statutes is created to read:

20.855 (4) (cr) *Transfer to local exposition district.* The amounts in the schedule to make payments to a local exposition district under s. 16.004 (21) (a).

**SECTION 10.** 20.855 (4) (cr) of the statutes, as created by 2015 Wisconsin Act .... (this act), is repealed.

**SECTION 11.** 20.855 (4) (cy) of the statutes is created to read:

20.855 (4) (cy) *Payment to Bradley Center Sports and Entertainment Corporation.* Biennially, the amounts in the schedule for the payment of grants to the Bradley Center Sports and Entertainment Corporation

credited the proceeds from the sale of any public lands on or after May 3, 2006, that are required by law to be deposited in the funds. Moneys credited to the accounts in the funds may only be used to invest in land under s. 24.61 (2) (a) ~~40-~~ and for the payment of expenses necessarily related to investing in land under s. 24.61 (2) (a) ~~40.~~

**SECTION 17.** 24.61 (2) (a) of the statutes is repealed and recreated to read:

24.61 (2) (a) *Authorized investments by board.* The board shall manage and invest moneys belonging to the trust funds in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances, in accordance with s. 112.11 (3).

## **TERM SHEET**

### **NEW BUCKS ARENA**

September 22, 2015

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#### **PROJECT:**

Milwaukee Bucks LLC intends to construct a new arena in downtown Milwaukee to be used as the home arena of the Milwaukee Bucks NBA basketball team at a cost of \$500 million. Through negotiations with the State of Wisconsin, Milwaukee County and the City of Milwaukee, it was decided that half of the project would be funded with public dollars and that the City of Milwaukee would contribute \$47 million towards the overall Project. The Project includes, in addition to the new arena structure, a parking structure that will be owned by the City of Milwaukee, a public open-air plaza adjacent to the arena, a retail and entertainment facility to be known as the Live Block located to the east of the arena and a covered plaza to be located adjacent to the Live Block. The Bucks will design and construct the Project in accordance with the terms described in this Term Sheet.

#### **PARTIES:**

Milwaukee Bucks LLC and Head of the Herd LLC, including their Affiliates (collectively "Bucks"); Redevelopment Authority of City of Milwaukee ("RACM") and City of Milwaukee ("City")

#### **EXHIBITS TO TERM SHEET:**

- Exhibit 1: Map identifying the various blocks by number
- Exhibit 2: Map of the proposed TID boundary
- Exhibit 3: Definitions
- Exhibit 4: List of Preconditions

#### **CITY OBLIGATIONS:**

City agrees to contribute cash, infrastructure and land to the Greater Arena Project and related properties as follows:

- A. \$35 million cash towards the construction of the Parking Structure in accordance with statutory requirements.
- B. \$12 million in cash towards the construction of the Plaza and other components of the Greater Arena Project which can be funded with tax-exempt bond proceeds in accordance with statutory requirements.
- C. If the actual costs for construction of the Bucks Arena, the Plaza and the Parking Structure are under \$500 million, it is understood that City will be reimbursed for its proportionate share based on and controlled by legislation passed by the State of Wisconsin.



- D. Conveyance of the 4<sup>th</sup> & Highland Parcel and City's Park East Parcel to Bucks.
- E. Public infrastructure improvements as follows (with all deadlines subject to revision based upon the outcome of a coordinated meeting between City, Bucks and Bucks' contractor about the scheduling of the construction of the Greater Arena Project and the Training Facility):
  - 1. Initiate and consider an application to vacate N. 4<sup>th</sup> Street between W. Juneau Avenue and W. Highland Avenue and N. 5<sup>th</sup> St. and the public alleys in Block 1 and complete any utility work (water/sewer/comm) related to those vacations by the end of 2015. Such vacations will proceed through the City's standard process for street vacations..
  - 2. Rehab of sewer in Highland Avenue by the end of 2016 if deemed necessary by City's Dept. of Public Works.
  - 3. Resurface Juneau Avenue between 3<sup>rd</sup> and 6<sup>th</sup> Streets by the end of 2017.
  - 4. Resurface Highland Avenue between 3<sup>rd</sup> and 4<sup>th</sup> Streets and between 5<sup>th</sup> and 6<sup>th</sup> Streets by the end of 2017.
  - 5. Complete streetscaping on Juneau/Highland by the end of 2017.
  - 6. Rebuild 5<sup>th</sup> Street from Juneau to McKinley in coordination with the construction of the Parking Structure and from State to Highland if needed in coordination with the development of Blocks 2 and 3.
- F. Facilitate coordination between Bucks, Milwaukee County, the State of Wisconsin and MMSD to remove footings in the Park East Land and to relocate a sewer in the Park East Land to Juneau Avenue. The parties understand that the Wisconsin Department of Transportation will relocate the sewer located in the Park East Land. City will fully cooperate and coordinate with the State of Wisconsin and Milwaukee County to relocate the sewer and will pay for any city-related incremental costs arising from the upsizing of the state-owned sewer that is located on the Park East Land.

### **BUCKS OBLIGATIONS:**

Bucks agree to do all of the following:

- A. Enter into PILOT agreements with City to be recorded on title of all parcels owned by Bucks within the TID boundary, except Block 1, the Live Block Plaza and vacated 4<sup>th</sup> Street.
- B. Accommodate and agree to a transportation, utility and public access easement for the benefit of the City in vacated 4<sup>th</sup> Street. Such easement shall be executed by the City, the Wisconsin Center District and the Bucks prior to recording the resolution vacating 4<sup>th</sup> Street and shall include a reversionary clause that requires the re-designation of 4<sup>th</sup> Street as right-of-way at no cost to the City if the Bucks no longer use the Plaza or Bucks Arena and the City requests such re-dedication. City agrees to coordinate with Bucks on design and construction of any facilities placed within the easement area in order to accommodate any safety and operational concerns of the Bucks.
- C. Dedicate public right of way for N. 5<sup>th</sup> Street between Highland Avenue and State Street and from Juneau Avenue to McKinley Avenue.
- D. Complete construction of the Bucks Arena, the Plaza, the Live Block Plaza, the Parking Structure and the Live Block not later than 60 months following commencement of construction, subject to force majeure.

- E. Demolish the existing Bradley Center, at no cost to City, within 12 months following completion of construction of the Bucks Arena, subject to force majeure.
- F. Enter into a development agreement with City and RACM.
- G. Enter into a human resources agreement ("HRA") with City consistent with this Term Sheet.

**BUCKS' COMMITMENT TO CITY PREREQUISITES:**

*Human Resources Requirements:*

Bucks will take steps necessary to meet the following goals:

- A. On construction of the Bucks Arena, Plaza and Parking Structure:
  - 1. 25% of construction (labor and supplies) completed by Small Business Enterprises ("SBE"), as defined in Sec. 370-1-17 of the Milwaukee Code of Ordinances (subject to standard exclusions available under City's SBE program).
  - 2. 18% of Architectural/Engineering professional services completed by SBE (subject to standard exclusions available under City's SBE program).
- B. On the construction of the Bucks Arena, Plaza and Parking Structure:
  - 1. 40% of workers shall qualify under the City's Residential Preference Program ("RPP") as follows:
    - a. RPP-qualified workers shall be City residents that are unemployed or underemployed as defined in sec. 309-41-1-f of the Milwaukee Code of Ordinances or grandfathered unemployed or underemployed City residents who no longer meet the time requirements in sec. 309-41-1-f because of their work on other recent development projects in the City of Milwaukee.
    - b. In the event that the Bucks exhaust all eligible workers who meet the City's RPP ordinance as described in B.1.(a), as determined by the City's Office of Small Business Development in cooperation with the Milwaukee Area Workforce Investment Board, and have not met the 40% requirement, the Bucks may hire any City resident to fill that gap and reach the 40% requirement.
  - 2. For purposes of maximizing employment opportunities, targeting training programs and assessing compliance feasibility within specific components of the project subject to RPP, the HRA shall provide that City (through City's Department of City Development and Office of Small Business Development), Bucks and Bucks' project manager, in conjunction with the Milwaukee Area Workforce Investment Board in collaboration with the Milwaukee Building Trades and WRTP Big Step, shall develop a gap analysis of work force capabilities and capacities on a trade by trade basis. This analysis shall be performed both prior to commencement of construction and again following construction bidding.
  - 3. In an effort to increase workforce capacity in the City of Milwaukee, the Bucks and City agree to contribute a minimum of \$375,000 each during the next 4 years towards capacity building programs to be conducted in cooperation with MAWIB for the Greater Arena Project. The Bucks' portion may be paid directly by the Bucks, through an Affiliate or through the Bucks' foundation. The funding of the City portion is yet to be determined. The capacity building funds may be utilized to pay for the following:
    - a. Completing the gap analysis as described in B.2.

- b. A youth recruitment program.
- c. Worker recruitment events.
- d. Development of an end user worker recruitment project.
- e. Business development program in the architectural and other professional fields.
- f. Any other program that the City and Bucks mutually agree upon.

### *Parking Structure*

With regard to the Parking Structure, the following terms are agreed to by the Parties:

- A. Bucks shall obtain title to Block 7 from Milwaukee County and cause the Parking Structure, not including any of the ancillary development attached to the Parking Structure, to be conveyed as a separate tax key parcel to City (free of all financial encumbrances). Ancillary development attached to the Parking Structure includes development abutting the sides of the Parking Structure and/or on the roof. Any development on the roof will be coordinated and subject to discussions with City in relation to City's rights under paragraph F, below.
- B. City shall pay \$35 million for construction of a minimum of 1243 parking spaces.
- C. City has approval rights over the architect and design selected for the Parking Structure, which approval cannot be unreasonably withheld. The Parking Structure may be developed on a design/build basis.
- D. Bucks shall be guaranteed use of 1,243 parking spaces for events at the Bucks Arena (843 in the Parking Structure with City's option to provide up to 400 at another, mutually agreeable location within a mutually agreeable distance from the New Arena Parcel). The offsite revenues from such relocated spaces shall be included as revenue from the Parking Structure.
- E. Bucks shall construct the Parking Structure subject to City's standard public works requirements as required by law.
- F. City has the option, at its expense, to increase the number of spaces above 1,243 at the time of construction or at anytime in the future.
- G. City's \$35 million shall not cover costs related to construction of any skywalk, but City agrees to allow a skywalk to be connected to the Parking Structure if Bucks can obtain necessary approvals for the skywalk.
- H. City and Bucks shall enter into a master lease that leases the Parking Structure to Bucks and obligates Bucks to be responsible for operation and maintenance of the Parking Structure. It is understood that a third party professional parking operator will likely be engaged to manage day to day operations of the Parking Structure. City and Bucks shall work together to establish rates at the Parking Structure for monthly/daily parking and parking during events at the Bucks Arena. Under the lease, City shall retain sole rights to arrange for leases, at market rates determined in accordance with the preceding sentence, for any parking spaces above the 1,243 (or 843) spaces reserved for events at the Bucks Arena. The location of such leased spaces shall be subject to Bucks' approval.
- I. When not being used for events at the Bucks Arena, the 1,243 parking spaces in the Parking Structure shall be made available for daily/monthly public parking.
- J. Bucks and City shall split all parking revenues from the Parking Structure on a 50/50 basis after costs of operation and maintenance, including capital repairs, of the Parking Structure are deducted.

- K. City may sell, and Bucks shall market, naming rights or corporate sponsorship signage for the Parking Structure. City and Bucks shall each receive 50 percent of any revenue associated with such naming or sponsorship. City anticipates that its share of such revenue will be dedicated to the MKE Plays initiative. Any associated signage for the naming rights or sponsorship is subject to City's standard approval requirements, which shall not be unreasonably withheld.
- L. The Parking Structure needs to accommodate the Journal-Sentinel parking lease from 4<sup>th</sup> & Highland Parcel at market rates.

#### *Developer-Backed TID*

City will create a \$20 million tax increment district ("TID") with a boundary as shown on Exhibit 2.

- A. City will finance its \$12 million contribution to the Plaza through the TID.
- B. Bucks will finance \$8 million towards the TID by purchasing tax-exempt revenue bonds from RACM that represent Bucks' \$8 million developer contribution to the TID.
- C. Tax increments actually received by City through the TID shall be used to first repay City for its \$12 million contribution plus cost of borrowing.
- D. Upon City being fully repaid for its \$12 million contribution and borrowing costs, Bucks will be repaid its \$8 million contribution plus 4.5% compounded interest through tax increments actually received by City through the TID.
- E. City shall not enter into any other development agreements in the TID that make another developer superior to Bucks' repayment rights or extend the length of time of Bucks' repayment.
- F. The TID shall last no more than 25 years from its effective date.

#### *Local Retailer Participation – Live Block*

- A. Bucks intends to develop retail and entertainment on the Live Block.
- B. Bucks will include 25% of Milwaukee-based retailers as tenants in the Live Block, subject to the tenant availability and ability to pay prevailing market rent rates. Local providers may include Bucks, but portions of the Live Block where Bucks sublease to non-local franchises shall not be counted towards the 25%.

#### *Surface Parking*

- A. It is contemplated that Blocks 5 and 6 will be used for temporary surface parking while the Bucks Arena is being constructed as replacement for the current surface parking located on the western half of Block 1 for up to 24 months following completion of the construction staging for the Greater Arena Project and ancillary development on the Park East Land.
- B. City's and Bucks' interests are aligned in developing the Park East Land in an expedient and thoughtful manner.

#### **PERMITTING & ZONING:**

- A. City agrees to provide designated contact persons to handle permitting and zoning issues related to the construction of the Bucks Arena, Plaza, Parking Structure and Training Facility.

- B. Detailed Plan Development zoning shall be used for all development within the TID.
- C. Bucks shall be responsible for paying a maximum of \$1 million in costs for permit fees and on-site expedited applications, reviews, inspections and approvals for the Bucks Arena, Plaza, Parking Structure and the Training Facility.

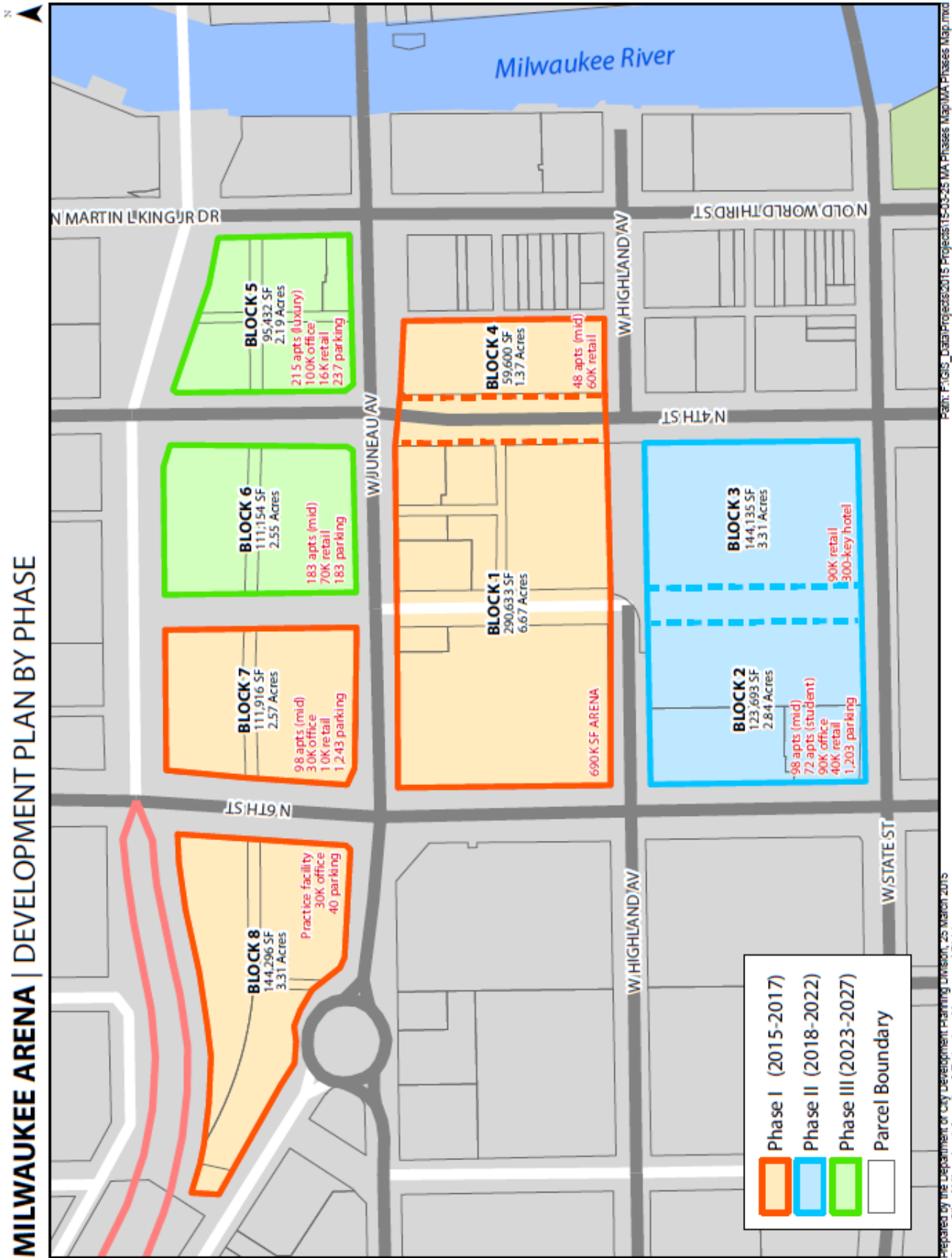
**CITY LAND CONTRIBUTIONS:**

- A. City shall convey City's Park East Parcel to Bucks by quit claim deed within 30 days after Milwaukee County conveys the Park East Land to Head of the Herd, LLC.
- B. City shall convey the 4<sup>th</sup> & Highland Parcel to Bucks by quit claim deed.
- C. Both parcels shall be subject to a deed restriction that requires them to be subject to a PILOT agreement.
- D. Bucks shall demolish the parking structure at the 4<sup>th</sup> & Highland Parcel in accordance with the timeframe established in the construction contract for the Bucks Arena.
- E. Bucks shall exercise good faith efforts to complete construction of the Live Block by the time the Bucks Arena opens.
- F. The timing of paragraphs B, D and E shall be subject to revision based upon coordinated efforts between Bucks and City's Dept. of Public Works as the Greater Arena Project progresses. In addition, City will cooperate with Bucks in land conveyances to minimize income tax and transfer tax consequences.

**GENERAL:**

This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort shall be incorporated in one or more agreements among City, RACM and Bucks. Resolutions approving this Term Sheet shall provide for the execution of all additional project documents and instruments necessary to implement the Project.

**Exhibit 1**  
Map identifying the various blocks by number

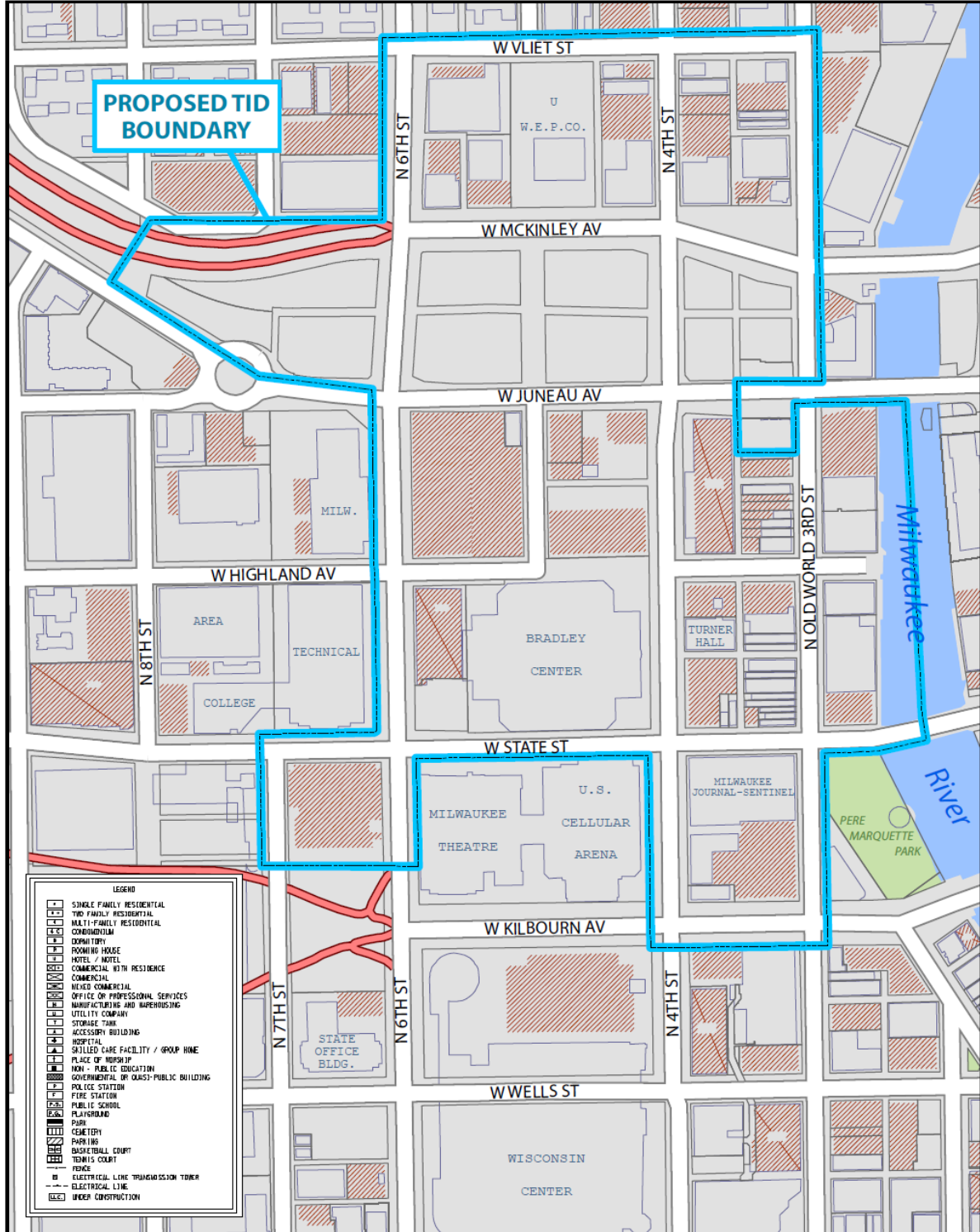
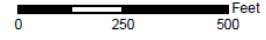


## Exhibit 2 TID Boundary

### ARENA TID

Prepared by the Department of City Development Planning Division, 26 May 2015  
Source: City of Milwaukee Information & Technology Management Division

### MAP 1: BOUNDARY AND EXISTING LAND USE



Path: F:\GIS\_Data\Projects\2015\Projects\15-05-26 Arena TID Maps\Map 1 - Boundary & Existing Land Use (Arena).mxd

## **Exhibit 3**

### Definitions

**4<sup>th</sup> & Highland Parcel** means the City-owned parcel of land and parking structure located at 324 West Highland Avenue.

**Affiliate** means a person, persons or entities directly or indirectly under the same control, ownership or management as the Milwaukee Bucks LLC or Head of the Herd LLC or a person, persons or entities controlling or managing the Milwaukee Bucks LLC or Head of the Herd LLC.

**Bradley Center Land** means Blocks 2 and 3.

**Bucks** means Milwaukee Bucks LLC; Head of the Herd LLC; and any Affiliate(s).

**Bucks Arena** means the basketball arena to be constructed by Bucks on Block 1.

**City's Park East Parcel** means the City-owned 8,246 sq. ft. parcel of land located on the southeast corner of Block 5 at the intersection of N. 3<sup>rd</sup> Street and W. Juneau Avenue.

**Greater Arena Project** means the design and construction of the Bucks Arena and all related facilities including the Plaza, the Live Block, the Live Block Plaza and the Parking Structure.

**Live Block** means a retail and entertainment facility to be constructed by Bucks on a portion of Block 4 on a separate tax key parcel to be created by a certified survey map of the 4<sup>th</sup> & Highland Parcel.

**Live Block Plaza** means a covered pedestrian plaza area adjacent to the Live Block to be constructed by Bucks on a portion of Block 4 on a separate tax key parcel to be created by a certified survey map of the 4<sup>th</sup> & Highland Parcel.

**New Arena Parcel** means Block 1.

**Park East Land** means the County-owned land in Blocks 5, 6, 7 and 8.

**Plaza** means the open-air, public plaza just east of the proposed Bucks Arena located on vacated 4<sup>th</sup> Street and the easternmost portion of the New Arena Parcel.

**Parking Structure** means a new parking structure having a minimum of 1243 parking spaces to be constructed by Bucks on Block 7 and to be owned by City.

**Training Facility** means the team training facility to be constructed by Bucks on Block 8.



## **Exhibit 4**

### List of Preconditions for Project

- A. Passage of State legislation in a form that is satisfactory to the parties
- B. Formation of new WCD Board
- C. Transfer Agreement between Bradley Center and WCD and conveyance of Block 1 to WCD
- D. Negotiation and execution of master arena lease, management and operations agreement between Bucks and WCD approved by NBA
- E. Negotiation and execution of master development / construction oversight agreement between Bucks and WCD, approved by NBA
- F. Engagement of A/E and Contractor by Bucks on terms consistent with WCD and NBA requirements
- G. Park East Land optioned to Head of Herd LLC
- H. Detailed planned development zoning approval for Blocks 1 and 4
- I. WCD passes resolutions to issue necessary debt
- J. City approves TID and development agreement with Bucks

## SITE STATISTICS

### BUILDING HEIGHT:

MIN 4 STORIES, MAX 20 STORIES

### GROSS LAND AREA:

144,135 SF

### MAX LAND COVERED BY PRINCIPAL BUILDINGS:

86%

### LAND DEVOTED TO LANDSCAPED OPEN SPACE AND PLAZAS:

MIN 0% - MAX 50%

### MAX AMOUNT OF LAND DEVOTED TO PARKING DRIVES AND PARKING STRUCTURES:

40%

### MAX DWELLING UNIT DENSITY

150 SF / UNIT

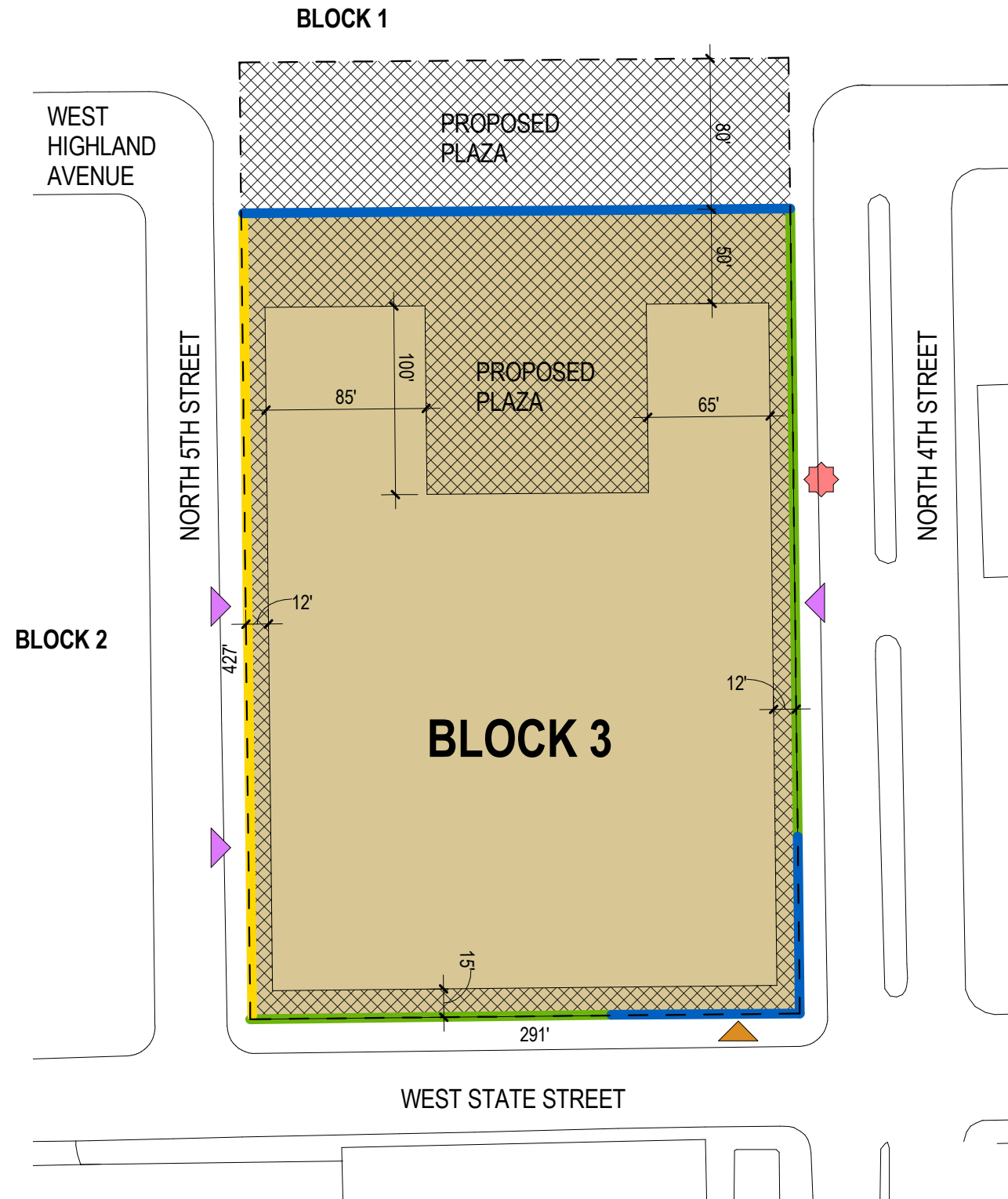
### MAX SF DEVOTED TO NON-RESIDENTIAL USES:

900,000 SF

### PROPOSED NUMBER OF BUILDINGS:

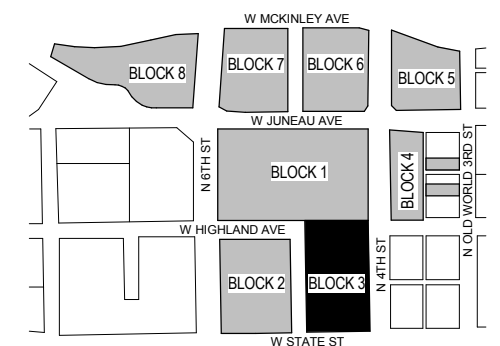
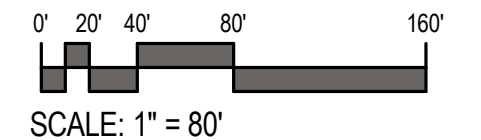
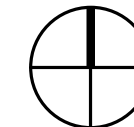
1-3 BUILDINGS

SEE SHEET A100 FOR OVERALL SITE PLAN



## LEGEND

- PROPERTY LINE
- ▨ SETBACK RANGE
- BUILDING AREA
- FUTURE BUILDING AREA
- - - SETBACK, MINIMUM
- HIGH ACTIVATION  
GROUND FLOOR GLAZING:  
75% (50% FOR RESIDENTIAL)
- MEDIUM ACTIVATION  
GROUND FLOOR GLAZING:  
50%
- LOW ACTIVATION  
NO GLAZING REQUIREMENT
- ◀ VEHICULAR ACCESS
- ▲ PEDESTRIAN ACCESS
- ★ TURNER HALL SPECIAL FEATURE



# BUCKS ARENA DEVELOPMENT

## BLOCK 3 DEVELOPMENT STANDARDS



eppstein uhen : architects

1/12/2016 15423-01

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MOODY'S

# Wisconsin Center District, WI -- Moody's affirms Wisconsin Center District's A3 senior lien and Baa1 junior lien dedicated tax ratings; outlook stable



August 17, 2022 · 13 min read



Rating Action: Moody's affirms Wisconsin Center District's A3 senior lien and Baa1 junior lien dedicated tax ratings; outlook stable

Global Credit Research - 17 Aug 2022 New York, August 17, 2022 -- Moody's Investors Service has affirmed the A3 rating on Wisconsin Center District (WCD), WI's outstanding senior lien dedicated tax debt and the Baa1 rating on the district's outstanding junior lien dedicated tax debt.

Concurrently, we have assigned a Baa1 rating to the district's \$34 million Junior Dedicated Tax Revenue Bonds, Series 2022A. Following the sale, the district will have \$293 million in outstanding senior lien and \$525 million in junior lien dedicated tax debt. The outlook is stable.

**RATINGS RATIONALE** The A3 rating reflects the district's high total leverage with a dependence on economically sensitive revenues for debt service. Pledged revenues improved significantly in 2021 following a precipitous pandemic-induced decline in 2020. Event activity has returned to pre-pandemic levels following resumption in travel, tourism and conventions, with fiscal 2022 revenues projected to approach 2019 levels. Favorably, both the senior and junior



Quote Lookup

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Symbol	Last Price	Change	% Change
<b>FTXN</b> First Trust Nasdaq Oil & Gas ETF	29.27	+0.07	+0.24%
<b>LYV</b> Live Nation Entertainment, Inc.	77.47	-2.06	-2.59%
<b>CL=F</b> Crude Oil Dec 22	84.82	-0.23	-0.27%



reflect the junior liens subordination within the flow of funds. **RATING OUTLOOK** The stable outlook reflects the expectation that continued pledged revenue recovery, coupled with the resumption of event activity, will provide satisfactory annual debt service coverage. **FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS**- Improved total maximum annual debt service (MADS) coverage- Sustained recovery and growth of pledged revenues- Revenue trends which significantly outperform projections **FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS**- Declines in pledged revenues that weaken debt service coverage- Materially increased leverage- Revenue trends that fall short of projections **LEGAL SECURITY** Debt service on the district's Series 1996A, 2003A, 2016A, 2020A and 2020C bonds are payable from a senior lien on the following special taxes: a 3% Basic Room Tax, a 0.5% Local Food and Beverage Tax, and a 3% Local Rental Car Tax, all of which are levied across Milwaukee County (Aa2 stable) and can only be used for debt service. The bonds are additionally secured by a 7% Additional Room Tax levied in the City of Milwaukee (A2 negative), which is pledged first to debt service and then any lawful purpose. The district's Series 1999, 2016B, 2020B, 2020D, 2021A and 2022A bonds are payable from the same special tax revenues on a subordinate basis. The 1999, 2020B and 2020D bonds also carry a moral obligation pledge from the State of Wisconsin (Aa1 stable). **USE OF PROCEEDS** Proceeds will finance completion of the district's Convention Center Expansion Project. **PROFILE** The Wisconsin Center District was established in 1994 for the purpose of promoting, operating, and maintaining the exposition center facility located in downtown Milwaukee. The district is independent of any municipality and is governed by a 17-member Board of Directors including the City of Milwaukee Comptroller; the Milwaukee County Comptroller; the Speaker and Minority Leader of the State Assembly; the State Senate Majority and Minority Leaders; the State Secretary of Administration; the

TRENDING

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the City of Milwaukee Mayor; and three public sector appointments made by the City of Milwaukee Common Council President. The district is coterminous with Milwaukee County and has an estimated population of over 950,000.

**METHODOLOGY**The principal methodology used in these ratings was US Public Finance Special Tax Methodology published in January 2021 and available at <https://ratings.moody.com/api/rmc-documents/70024>. Alternatively, please see the Rating Methodologies page on <https://ratings.moody.com> for a copy of this methodology.

**REGULATORY DISCLOSURES**For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moody.com/rating-definitions>. For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the issuer/deal page for the respective issuer on <https://ratings.moody.com>. The ratings



ratings available on its website

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The Board also approved the WCD to enter into a Payment In Lieu of Taxes (PILOT) agreement with the City of Milwaukee. The PILOT agreement outlines that beginning in 2025 the WCD will remit to the City of Milwaukee \$1 million for its first \$30 million in net income. Furthermore, for each additional \$10 million of net income above \$30 million in any fiscal year, WCD shall remit to the City an additional \$1 million. Additionally, the WCD will remit to the City fixed payments of \$250,000 in May 2022, \$500,000 in May 2023 and \$750,000 in May 2024.



**ADDRESS**  
555 W. Wells Street, Milwaukee, WI 53203

**PHONE NUMBER**  
414.908.6000

**WEBSITE**  
[WCD.org](http://WCD.org)

**TO:** WCD Board Members  
**FROM:** Marty Brooks, President and CEO  
**RE:** Wisconsin Center District Update  
**DATE:** April 1, 2020

Last Friday I submitted to you a working document reflecting ongoing discussions with the City of Milwaukee regarding the development of a Payment In Lieu of Taxes (PILOT) arrangement. Dialogue has progressed to the stage that allows me to share the updated terms for your review and consideration.

Both the City and WCD will benefit from this agreement. It provides financial consideration to the City; they in turn will uphold the certification required for the State's moral obligation and will ensure the District is appropriately supported to effectively proceed with the construction of the expansion after financing has been secured.

Tomorrow we will present to the WCD Board the resolution that will approve both the expansion of the convention center and the refinancing of a portion of our existing debt. If this resolution passes, the next agenda item will seek approval from the Board to finalize the PILOT agreement with the City.

To be clear, a vote for the expansion allows us to be in a position to be able to react in a nimble manner to secure favorable project financing. Final affirmation from the Governance Committee that the appropriate market conditions have been achieved to support the project will be required before financing can be secured.

Stay safe and I'll speak with you tomorrow.

Marty

Fax: 414.908.6010 | Box Office Fax: 414.223.0286

*Wisconsin Center District owns & operates the Wisconsin Center, UWM Panther Arena & Miller High Life Theatre*



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## City of Milwaukee Payment In Lieu of Taxes Proposal Draft as of April 1, 2020

The Wisconsin Center District (WCD) seeks to fund the expansion of the existing convention center and has received the State of Wisconsin's moral obligation towards \$300 million of the bonds to be issued for the project. In exchange for the February 2020 City of Milwaukee's certification that the WCD met the requirements, the WCD proposes the following:

Based on the results of the WCD's 2024 fiscal year, in May 2025 the WCD will remit to the City of Milwaukee a Payment In Lieu of Taxes (PILOT) in the amount of one million dollars (\$1,000,000) for the first thirty million dollars (\$30,000,000) of Net Income, as defined as net revenue less expenses and deducting capex, grant and bond premium amortization and before depreciation. Furthermore, for each additional ten million dollars (\$10,000,000) of Net Income above thirty million dollars in any fiscal year, WCD shall remit to the City of Milwaukee an additional one million dollars (\$1,000,000). Net Payments to be made within thirty days of receipt of audited financial statements. No payment will be made in any year the WCD does not generate Net Income of at least \$1,000,000.

By example:

Net income \$1,000,000 to \$30,000,000 City receives \$1,000,000

Net income \$30,000,001 to \$40,000,000 City receives an additional \$1,000,000

Net income \$40,000,001 to \$50,000,000 City receives an additional \$1,000,000

Each additional \$10,000,000 increase to Net Income City receives an additional \$1,000,000

Subject to the above Net Income criteria, the WCD will remit to the City of Milwaukee a fixed payment of \$250,000 in May 2022, \$500,000 in May 2023 and \$750,000 in May 2024.

The term of the agreement will be the length of the initial bond offering. Over a forty-year period the City of Milwaukee will receive \$41,500,000 from the WCD and potentially more with additional payments in those years Net Income performs above the base payment.

City of Milwaukee will calculate all permit fees consistent with the methodology used for any public facility expansion/new construction and will follow the same review and approval process consistent with other projects in the City of Milwaukee.

City of Milwaukee will not pursue or seek claim to all or a portion of any existing WCD revenue sources.

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City of Milwaukee agrees not to levy any new fees or increase any existing fees on any WCD properties that are not also levied or charged to all other public and/or not-for-profit entities, organizations or properties unless mandated by state or federal government law.

Past practices for the approval and cost of City permits (non-building permits) will be followed.

As part of the Wisconsin Center expansion project, the WCD will provide the City of Milwaukee a Memorandum of Understanding reflecting the WCD's inclusion plan including the percentages of goals for minority businesses and staffing. Additionally, a Residents Preference Program (RPP) of at least 40% of onsite construction labor hours will be performed by construction trade workers residing in the City of Milwaukee and/or certified through the City of Milwaukee Residents Preference Program. WCD also agrees to provide comparable compliance reports at the similar timing as was followed during the construction of the Fiserv Forum.

This proposal and subsequent agreement are subject to the WCD Board approving the funding of the expansion project and funding being secured by December 31, 2021. Any delays in securing the funding beyond December 31, 2021 will delay the commencement of payments due to the City by the corresponding year(s).

###