



Legislation Details (With Text)

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**File created:** 9/1/2009      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

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**Title:** Substitute resolution approving a Project Plan and a Development Agreement, authorizing expenditures and creating a Tax Incremental District for the South 27th Street and West Howard Avenue Project, in the 13th Aldermanic District.

**Sponsors:** ALD. WITKOWSKI

**Indexes:** TAX INCREMENTAL DISTRICTS

**Attachments:** 1. Project Plan, 2. Letter from the Comptroller's Office, 3. Fiscal Note, 4. Fiscal Analysis, 5. What's New For S. 27th Street Businesses, 6. Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2009	0	COMMON COUNCIL	ASSIGNED TO		
11/16/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
11/16/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
12/8/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
12/9/2009	1	CITY CLERK	DRAFT SUBMITTED		
12/9/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
12/9/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
12/9/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
12/15/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	5:0
12/22/2009	1	COMMON COUNCIL	ADOPTED	Pass	14:0
1/6/2010	1	MAYOR	SIGNED		

090563  
SUBSTITUTE 1

ALD. WITKOWSKI  
Substitute resolution approving a Project Plan and a Development Agreement, authorizing expenditures and creating a Tax Incremental District for the South 27th Street and West Howard Avenue Project, in the 13th Aldermanic District.  
Tax Incremental District No. 76, City of Milwaukee (the "District"), consists of a site of approximately 17 acres, bounded by South 27th Street on the west, West Howard Avenue on the south and the Milwaukee Metropolitan Sewerage District right-of-way for the southeast branch of the Kinnickinnic River on the east and north. The District includes eight properties, including two vacant auto dealerships, a retail mall, a trailer court, the historic Wildenberg Hotel and a CVS pharmacy.

The Project Plan will be implemented in phases. The first phase provides for a loan to redevelop the now vacant former Foster Pontiac auto dealership at 3636 South 27th Street. This structure will be converted to 19,550 square feet of neighborhood retail space, plus provide for outlots to accommodate at least one sit-down 6,500 square foot restaurant and other retail venues. The Project cost is \$4.9 million. The TID will fund a \$500,000 loan to be amortized over 15 years at 5 percent. Interest will accrue on the loan, at the rate of 2 percent, until the one remaining outlot is developed, but for no longer than three years, at which time loan payments will commence. All loan payments will be applied to amortize the cost of the TID Project Plan. Payback of the TID is estimated at 9 years. 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 District; and

Whereas, Pursuant to Section 66.1105(4) (a) through (gm), Wisconsin Statutes, the Authority conducted a public hearing on the Project Plan, designated the boundaries of the South 27th Street and West Howard Avenue 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" within the meaning of Section 66.1337(3), 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 is considered "in need of rehabilitation and conservation work" 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; 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 "in need of rehabilitation and conservation work" within the meaning of Section 66.1105(4) (gm)4.a., Wisconsin Statutes.
2. The improvement and/or redevelopment of such area, as hereinafter provided, is likely to enhance significantly the value of substantially all of the other real property in and adjoining such District.
3. Project costs relate directly to promoting development consistent with the City of Milwaukee's ("City") 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 Districts, does not exceed the statutory maximum 12 percent of the aggregate value of total equalized value of taxable property within the City.

5. The percentage of territory within the District estimated to be devoted to retail businesses at the end of the expenditure period for the Plan, is 100 percent; and, be it

Further Resolved, That the District is created as of January 1, 2010, and that the boundaries of the District recommended by the Authority 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 said 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 TID 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 South 27th Street and West Howard Avenue District shall be designated Tax Incremental District No. 76.

4. The City Comptroller is directed to transfer the sum of \$525,000, plus capitalized interest for two years, from the Parent TID Account to the Project Account No. TD07680000, for the purpose of providing the necessary funding for this component of the Plan.

5. 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.

6. The proper City officials are directed to enter into a Development Agreement on terms as set forth in Exhibit 3 to the Plan.

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12/08/09