



Legislation Details (With Text)

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On agenda: **Final action:** 9/22/2015

Effective date:

Title: 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.

Sponsors: ALD. BAUMAN

Indexes: PLANNED DEVELOPMENT DISTRICTS, PROPERTY SALES, TAX INCREMENTAL DISTRICTS, TAX INCREMENTAL FINANCING

Attachments: 1. Bucks Arena Term Sheet as of 9-22-2015 FINAL, 2. Common Council Motion by Ald. Coggs, 3. Term Sheet as amended 9-15-2015, 4. Amendment Motions 1A, 1B, 1C, 5. Amendment Motion 2, 6. Amendment Motion 3D, 7. 324 West Highland LDR and Checklist, 8. 300-18 West Juneau LDR and Checklist, 9. Project Plan as of 7-6-15, 10. Fiscal Impact Statement, 11. Comptroller TID 84 Analysis, 12. Comptroller Letter 8-24-15, 13. City Attorney Opinion on Set-Asides.pdf, 14. Oppose - Theodore D. Kafkas, 15. Support - Historic King Drive BID, 16. Hearing Notice List, 17. Amendment Motions 3A, 3B, 18. Amendment Motion 3C, 19. Amendment Motion 4, 20. Ald. Michael Murphy Letter to Wisconsin Center District.pdf, 21. Oppose - Pat Small.pdf, 22. James Ito Letter - Stipulation Request.pdf, 23. Jeanie Dean - Save the Real Pubs Journal Sentinel Article.pdf, 24. Northwestern Mutual Tower and Commons Quarterly Report Email.pdf, 25. No Subsidies for Bucks Mall - Journal Sentinel Article.pdf, 26. Oppose - Anonymous.pdf, 27. Arena ZND presentation 9-15-2015, 28. Transmittal Letter for HVS Report, 29. HVS Report -Bucks Arena Assessment, 30. Fresno Future - The Experiment of American Pedestrian Malls.pdf, 31. Urban Milwaukee Article - Street Closing on Arena Agenda.pdf, 32. Journal Interactive Article - Bucks should take a lesson from Titletown.pdf, 33. Open Letter - Postpone vacating 4th Street

| Date | Ver. | Action By | Action | Result | Tally |
|-----------|------|---|---------------------------|--------|-------|
| 6/23/2015 | 0 | COMMON COUNCIL | ASSIGNED TO | | |
| 7/8/2015 | 1 | CITY CLERK | DRAFT SUBMITTED | | |
| 9/9/2015 | 1 | ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE | HEARING NOTICES SENT | | |
| 9/11/2015 | 1 | ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE | REFERRED TO | | |
| 9/15/2015 | 2 | ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE | AMENDED | Pass | 3:2 |
| 9/15/2015 | 2 | ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE | AMENDED | Pass | 5:0 |
| 9/15/2015 | 2 | ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE | HELD TO CALL OF THE CHAIR | Pass | 5:0 |
| 9/15/2015 | 2 | ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE | RECONSIDERED | Pass | 4:0 |
| 9/15/2015 | 2 | ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE | AMENDED | Pass | 5:0 |
| 9/15/2015 | 2 | ZONING, NEIGHBORHOODS & | RECOMMENDED FOR ADOPTION | Pass | 4:1 |

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|-----------|---|---|--|------|------|
| 9/15/2015 | 1 | DEVELOPMENT COMMITTEE ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE | SUBSTITUTED | Pass | 5:0 |
| 9/21/2015 | 2 | CITY PLAN COMMISSION | RECOMMENDED FOR ADOPTION AND ASSIGNED | Pass | 5:0 |
| 9/22/2015 | 2 | COMMON COUNCIL | ADOPTED | Pass | 12:3 |
| 9/22/2015 | 2 | COMMON COUNCIL | AMENDED | Pass | 15:0 |
| 9/22/2015 | 2 | MAYOR | SIGNED | | |

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

