



Legislation Text

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110602
ORIGINAL
051461

ALD. DONOVAN

Resolution approving Amendment No. 1 to the Project Plan for Tax Incremental District No. 63, Rexnord Industries LLC/Falk Gear Group Project, and authorizing expenditures, in the 8th Aldermanic District.

The Common Council created Tax Incremental District No. 63 in 2006 for the purpose of facilitating upgrades to the Rexnord facility at 3001 West Canal Street and to fund one-time expenses of the company in connection with the Menomonee Valley Shops redevelopment plan and the extension of Canal Street through the Rexnord property. The District consists only of the 51-acre Rexnord facility, which houses its Falk Gear division. Rexnord now plans to invest over \$32 million to convert the facility into its Gear Center of Excellence model plant. Improvements include streamlining manufacturing processes, investments in new equipment and related technology, upgrades to existing equipment, as well as lighting and efficiency improvements. Goals are to significantly improve quality outcomes and reduce production lead times. This amendment approves an additional \$1 million of funding for Rexnord's project. Funding will be advanced by Rexnord and recovered from actual tax increments generated by the District. This is a "pay-as-you-go" TID.

Whereas, The Common Council of the City of Milwaukee ("Common Council") on April 11, 2006 adopted File No. 051461, which approved a Project Plan and created Tax Incremental District No. 63, for the Rexnord/Falk project (the "District"); and

Whereas, Pursuant to Section 66.1105(4)(h)(1), Wisconsin Statutes, on August 25, 2011, the Redevelopment Authority of the City of Milwaukee ("Authority") conducted a public hearing on Amendment No. 1 to the Project Plan for the District ("Amendment"), a copy of which is attached to this Common Council File; and

Whereas, Section 66.1105(4)(g) and (h)(1), Wisconsin Statutes, provides that an amendment to a Project Plan shall be approved by the Common Council with the adoption of a resolution, which contains findings that such amendment is feasible and in conformity with the Master Plan of the City of Milwaukee ("City"); now, therefore, be it

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

1. The Amendment retains the existing boundaries of the District and does not alter the number of properties within the District. Therefore, the findings made in File No. 051461, pursuant to Section 66.1105(4)(gm)1 and 4, Wisconsin Statutes, are unchanged.
2. The Amendment revises the project costs to be supported by the District and revises the District Financial Feasibility analysis that is part of the Project Plan and makes related changes regarding the timing of project costs and methods of financing.
3. Project costs provided in the Amendment relate directly to promoting development consistent with the City's Master Plan and with the purpose(s) for which the District was created under Section 66.1105(4)(gm)4a, 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 Tax Incremental Districts, 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 Amendment is approved and the Project Plan for said District, as amended, 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 notify the Wisconsin Department of Revenue in such form as may be prescribed by said Department of the approval of this Amendment pursuant to the provisions of Section 66.1105(5), Wisconsin Statutes.

2. The proper City officials are directed to enter into an Amended Development Agreement for the purposes of implementing the Plan, as amended, on terms substantially in accordance with the Term Sheet for the Amendment to TID No. 63, which is Exhibit 4 to the Project Plan.

3. 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 and/or amend the appropriate accounts within the TID No. 63 project account, No. 0336-1910-TD06380003, to appropriate tax incremental collections equal to the total required to pay the City Contribution to Rexnord Industries, LLC, as provided in the Term Sheet, as amended, for this District, in such amounts, as set forth in the Project Plan, as amended.

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