



Legislation Text

File #: 040025, Version: 1

040025

SUBSTITUTE 1

031049

ALD. HINES, WADE, McGEE, D'AMATO, WITKOWIAK, BAUMAN, MURPHY, HAMILTON, DAVIS AND PUENTE

Substitute resolution relating to relocation of the Department of Public Works' Traser Yard facilities and the Milwaukee Water Works' Lincoln Avenue and Cameron Avenue distribution facilities to a newly-constructed combined facility at the Tower Automotive site in the vicinity of North 35th Street and West Keefe Avenue. This resolution:

1. Contingent upon successful negotiations, authorizes the relocation of the Department of Public Works' Traser Yard facilities and the Milwaukee Water Works' Lincoln Avenue and Cameron Avenue distribution facilities to a newly-constructed combined facility to be developed at the Tower Automotive site, in the vicinity of North 35th Street and West Keefe Avenue. This is the site recommended by an interdepartmental working group following an analysis of several possible sites for the new DPW facility.

2. Authorizes the expenditure of budgeted funds for preliminary design work relating to the new facility.

3. Authorizes and directs the proper City officials to enter into a cooperation agreement with the Redevelopment Authority of the City of Milwaukee relating to relocation of the Traser Yard facilities and conveyance of the Traser Yard site to the Redevelopment Authority.

4. Authorizes and directs the proper City officials to negotiate, in cooperation with the Redevelopment Authority of the City of Milwaukee, a turn-key development or lease agreement for the design, construction and occupancy of new Department of Public Works and Water Works facilities at the Tower Automotive site. The terms of the negotiated turn-key development agreement or lease agreement shall be subject to Common Council approval.

Whereas, The City of Milwaukee has been planning to relocate the Department of Public Works' Traser Yard facilities, which occupy a 10.2-acre site northeast of the intersection of 6th and Canal Streets, as part of a plan to make that land available for private development, thereby promoting economic development and job creation in the Menomonee Valley; and

Whereas, In January, 2004, Harley-Davidson Motor Company announced plans to develop a \$95 million complex consisting of a Harley-Davidson museum, as well as supporting restaurant, retail and banquet facilities and 100,000 square feet of office space on a site at 6th and Canal Streets that includes the land occupied by the Traser Yard facilities; and

Whereas, The adopted 2004 City Budget includes \$2.5 million for preliminary expenses related to relocation of Traser Yard; and

Whereas, A working group consisting of representatives of the Department of Public Works, Department of City Development, City Comptroller, Mayor's Office and Department of Administration recently identified and evaluated eight possible sites for relocation of the Traser Yard facilities, with three sites identified as most favorable:

1. The vacant WE Energies facilities at 76th and Main Streets.
2. Undeveloped Harbor Commission land located on Marina Drive where the Kinnickinnic River flows into the Inner Harbor.
3. Vacant manufacturing facilities located east of 35th Street between Capitol Drive and Keefe Avenue, also known as the "Tower Automotive site".

;and

Whereas, In addition to the City's intention to relocate the Traser Yard facilities, the Milwaukee Water Works desires to consolidate its two current distribution facilities, located on Lincoln Avenue and Cameron Avenue, into a single new distribution facility, thereby realizing significant improvements in operational efficiency, as well as corresponding savings in operating costs; and

Whereas, Consolidation of the Water Works distribution facilities was authorized by the adopted 1999 City Budget; and

Whereas, The adopted 2004 City Budget includes \$8.0 million for construction of a new Water Works distribution facility; and

Whereas, The Department of Public Works has found that coordinated relocation of the Traser Yard and Water Works distribution facilities to a single site would provide several benefits to both projects, including lower total construction costs and cost savings from consolidated office support, inventory, material storage and maintenance of equipment; and

Whereas, The Traser Yard working group evaluated the three most favorable sites in terms of several site-selection criteria, including location, site size, freeway access, availability of utilities, need for demolition of structures and anticipated environmental remediation costs; and

Whereas, Following this evaluation, the working group prepared a report on the alternatives for the Traser Yard relocation, a copy of which is attached to this file; and

Whereas, In its report, the working group recommended pursuing the relocation of both the Traser Yard facilities and the Water Works distribution facilities to the Tower Automotive site; and

Whereas, In order to facilitate the relocation of both the Traser Yard facilities and the Water Works distribution facilities to the Tower Automotive site and to provide for the immediate redevelopment of the site at 6th and Canal Streets, which includes the land currently occupied by the Traser Yard facilities, the

most expeditious and cost-effective method in which to proceed is the execution of a cooperation agreement with the Redevelopment Authority of the City of Milwaukee; and

Whereas, This cooperation agreement will provide for transfer of the Traser Yard facilities to the Redevelopment Authority for redevelopment and negotiation of a turn-key development agreement or lease agreement pursuant to which the owner/developer of the Tower Automotive site will develop the Tower Automotive site to meet the City's needs for a new facility and convey the fully developed site to the Redevelopment Authority or the City by deed or lease; and

Whereas, Inasmuch as the utilization of a cooperation agreement, as set forth above, is the most expeditious and cost-effective method for acquiring and improving the Tower Automotive site, and it is impracticable to acquire and construct such improvements under the bidding procedures set forth in Chapter 7 of the City Charter or under Sec. 66.1333, Wis. Stats.; and

Whereas, The Department of Administration has found that the estimated cost saving and cost avoidance of this relocation project will more than offset the relocation project costs, with a present value analysis indicating a savings of \$13.5 million over 25 years when the new facilities are co-located at the Tower Automotive site; and

Whereas The working group has concluded that significant savings can be achieved through the coordinated relocation of the Traser Yards and Water Works facilities to a single site; and

Whereas, Common Council File Number 031048, adopted November 14, 2003, requires that, prior to the release of the \$8.0 million budgeted for the new Water Works distribution facility, the Department of Public Works shall submit a plan for the facility to the Common Council for its review and approval; and

Whereas, Common Council File Number 031049, adopted November 14, 2003, requires that, prior to the release of the \$2.5 million budgeted for the relocation of the Traser Yard facilities, the Department of Public Works shall submit a plan for the relocation to the Common Council for its review and approval; and

Whereas, The Common Council finds the report and recommendation of the Traser Yard working group to be sufficient for satisfying the plan requirements of Files 031048 and 031049; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that, contingent upon successful negotiations, the Department of Public Works, in cooperation with the Redevelopment Authority of the City of Milwaukee, is authorized and directed to pursue the relocation of the Traser Yard facilities and the Lincoln Avenue and Cameron Avenue water distribution facilities to new facilities to be developed on the Tower Automotive site in the vicinity of North 35th Street and West Keefe Avenue; and, be it

Further Resolved, That the Common Council finds that the requirements for release of funds in Common Council File Numbers 031048 and 031049 are satisfied; and, be it

Further Resolved, That the Department of Public Works is authorized to expend funds allocated in the 2004 City Budget for relocation of Traser Yard and Water Works distribution facilities for preliminary design work related to the new facility; and, be it

Further Resolved, That the proper City officials are authorized and directed to enter into a cooperation agreement with the Redevelopment Authority of the City of Milwaukee relating to relocation of the Traser Yard facilities and conveyance of the Traser Yard site to the Redevelopment Authority; and, be it

Further Resolved, That the proper City officials are authorized and directed to negotiate, in cooperation with the Redevelopment Authority of the City of Milwaukee, a turn-key development or lease agreement for the design, construction and occupancy of new Department of Public Works facilities at the Tower Automotive site; and, be it

Further Resolved, That the terms of the turn-key development agreement or lease agreement shall be subject to Common Council review and approval.

LRB04166-2

JDO

5/5/04

Sponsors added 5/12/04. mbh