



## Legislation Text

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**File #: 090325, Version: 1**

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SUBSTITUTE 1

ALD. WADE AND HAMILTON

Substitute resolution approving a Project Plan, authorizing expenditures and creating the North 35th Street and West Capitol Drive Tax Incremental District, in the 7th Aldermanic District.

This substitute resolution approves the creation of a tax incremental district to redevelop the former A. O. Smith/Tower Automotive site as a business park, provide funding to assist in rehabilitating adjacent housing and provide funding for workforce training.

The district consists of approximately 293 acres of land zoned for residential, industrial and commercial uses and is generally bounded by West Capitol Drive, North 26th Street, West Burleigh Street and North 36th Street.

The district contains approximately 1050 properties. The redevelopment of the former Tower site anticipates the development or reuse of 58 acres as a business park, 17 acres for retail or commercial uses and 5 acres for single and multi-family residences.

It is expected the overall redevelopment program will attract 700 - 1,000 long-term jobs to this location. The total project cost is estimated at \$34 million of which approximately \$15 million will be recovered through the tax increment district, \$3 million will be provided through the City's capital budget, \$7 million from future capital appropriations or contingent borrowing and the balance will be funded through state and federal sources, including sources from the American Recovery and Reinvestment Act of 2009.

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 ("Redevelopment Authority") must follow to create a Tax Incremental District ("TID") and approve a Project Plan for the TID; and

Whereas, Pursuant to Section 66.1105(4) (a) through (gm), Wisconsin Statutes, the Redevelopment Authority conducted a public hearing on the Project Plan for the North 35th Street and West Capitol Drive Tax Incremental District ("District"), designated the boundaries of the District, 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 TID 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(2m) (b), Wisconsin Statutes; suitable for "industrial sites" within the meaning of

Section 66.1101, Wisconsin Statutes, and be zoned for industrial use; or suitable for mixed-use development as defined in Section 66.1105(2) (cm), Wisconsin Statutes; and

Whereas, Property standing vacant for an entire 7-year period immediately preceding adoption of this resolution and not suitable for "industrial sites" shall not exceed 25 percent, by area, of the District; and

Whereas, Based upon field survey and available public information and records, more than 50 percent, by area, of the real property in the District, as identified in the Plan, consists of properties, which in the aggregate, are "in need of rehabilitation or conservation work" within the meaning of Section 66.1337, Wisconsin Statutes, and, therefore, satisfies the requirements of Section 66.1105(4) (gm)4.a., Wisconsin Statutes; and

Whereas, Based upon available public information and records, less than 25 percent of the real property in the District, as identified in Exhibit 1 of the Plan, consists of property that is "vacant" within the meaning of Section 66.1105, Wisconsin Statutes; 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; 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 equalized value of taxable property of the District plus the incremental value of all other existing TID's in the City of Milwaukee ("City") is less than 12 percent of the total value of equalized taxable property within the City; and

Whereas, The City's 2008 Capital Budget authorized \$3 million of general obligation borrowing for redevelopment in the 30th Street Industrial Corridor, including the area of the District; and

Whereas, The City's Capital Improvements Plan includes \$3 million in 2010 and \$4 million in 2011 for redevelopment in the 30th Street Industrial Corridor, including the area of the District and resolutions to authorize such funding, or contingent borrowing in these amounts will be considered by the Common Council in the future; now, therefore, be it

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

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 such 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 TID's, does not exceed the statutory maximum 12 percent of the aggregate value of total equalized value of taxable property within the City.

5. The District is created as of January 1, 2009 and the boundaries of the District recommended by the Redevelopment Authority are approved as described and more precisely set forth in the Plan.

6. The Plan is approved as the Project Plan for said District and 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 authorized and 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 North 35th Street and West Capitol Drive Tax Incremental District shall be designated Tax Incremental District No. 74.

4. The City Comptroller is directed to transfer the sum of \$15,600,000 (plus capitalized interest) from the Parent TID Account to the Project Account, No. TDO7480000, for the purpose of providing funds necessary to implement the Plan.

5. Up to \$3 million of 2008 Capital Budget borrowing authority for redevelopment in the 30th Street Industrial Corridor, Account No. 0321 9990 R999 UR045080000, is authorized for the District Project Plan.

6. The City Comptroller, in conjunction with the Commissioner of the Department of City Development, is directed to perform such acts and to create such accounts and subaccounts and make appropriate transfers upon written request by the Department of City Development for all revenue or expenditure activity under this resolution.

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08/24/09