



Legislation Text

File #: 081627, Version: 1

081627
SUBSTITUTE 1

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Substitute resolution approving a Project Plan, authorizing expenditures and creating a Tax Incremental District for the City Lights Project, in the 8th Aldermanic District. Tax Incremental District No. 73 (the "District") consists of a 22.8-acre site located at North 25th Street and West Mt. Vernon Street. The entire District is now located within Tax Incremental District No. 53 (Menomonee Valley Industrial Center).

The District is presently zoned Planned Development. The site is now largely used for warehousing, entertainment (skateboard park) and trucking. The property had been used by the Wisconsin Gas Light Company, a predecessor to the Wisconsin Gas Co. (now owned by WE Energies), where it manufactured coal gas for gas lights used before the widespread use of electric lights. Much of the complex was built in 1901-03. The site is occupied by buildings totaling approximately 98,000 square feet, including one which has a turret that can be seen prominently from I-94.

The proposed TID will fund the extension of a street and associated public utilities into the site to permit the conversion of the buildings into office uses. The cost of public improvements is estimated at \$2.5 million with \$2 million being provided from TID borrowing and the balance from the Sewer Maintenance Fund of the Capital Budget.

The first office tenant will be Zimmerman Architectural Studios, which will convert the largest building on the site into 43,000 square feet of office space.

The estimated payback period of the TID is 25 years. The balance of the buildings will be redeveloped over time and the developer will guarantee revenues will be sufficient to retire the debt.

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 ("District" or "TID") 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 City Lights District, recommended that the District be created and submitted such recommendation to the Common Council for approval with a proposed Project Plan for the TID ("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; and, be it

Further Resolved, That the District is created as of January 1, 2009, 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 City Lights Tax Incremental District shall be designated Tax Incremental District No. 73.

4. The City Comptroller is directed to transfer the sum of \$2,038,000, plus capitalized interest for two years, from the Parent TID Account to the Project Account No. TD07380000, 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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