Legislation Details (With Text)

File #:	130268 **Version:** 1		
Type:	Resolution	**Status:**	Passed
File created:	6/11/2013	**In control:**	COMMON COUNCIL
On agenda:		**Final action:**	7/2/2013
Effective date:			

Title: Substitute resolution approving Amendment No. 2 to the Project Plan for Tax Incremental District No. 56 (Erie/Jefferson Street) and authorizing expenditures, in the 4th Aldermanic District.

Sponsors: ALD. BAUMAN

Indexes: TAX INCREMENTAL DISTRICTS

Attachments: 1. Amendment No. 2 to Project Plan as of 6-20-13, 2. Fiscal Impact Statement, 3. Hearing Notice List, 4. PowerPoint Presentation

Date	Ver.	Action By	Action	Result	Tally
6/11/2013	0	COMMON COUNCIL	ASSIGNED TO		
6/19/2013	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
6/19/2013	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
6/21/2013	1	CITY CLERK	DRAFT SUBMITTED		
6/25/2013	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	5:0
7/2/2013	1	COMMON COUNCIL	ADOPTED	Pass	14:1
7/2/2013	1	MAYOR	SIGNED		

130268
SUBSTITUTE 1
040639, 090791
ALD. BAUMAN
Substitute resolution approving Amendment No. 2 to the Project Plan for Tax Incremental District No. 56 (Erie/Jefferson Street) and authorizing expenditures, in the 4th Aldermanic District.
The Common Council created Tax Incremental District No. 56 in 2004 by adoption of File No. 040639 to, among other things, increase public access to the Milwaukee River by construction of riverwalk and plazas, to provide assistance in funding for riverwalk improvements and to remove or improve obsolete railroad facilities. TID No. 56 was amended in 2009 by adoption of File No. 090791 to establish TID No. 56 as a "Donor" district to allow surplus revenue from TID No. 56 to be transferred to certain "Recipient" districts.

Amendment No. 2 to the Project Plan for TID No. 56 will approve donating funds from TID No. 56 to TID No. 58 (20th/Walnut), to TID No. 65 (20th/Brown) and to TID No. 66 (Metcalfe Park Homes). TID Nos. 58, 65 and 66 are not generating incremental revenue and there are no immediate prospects for redevelopment within the districts, which would produce such an increment. It is proposed that TID No. 56 donate sufficient revenue to these districts to completely retire their project costs and to cause the districts to be closed out. TID No. 56 has sufficient surplus revenue to accomplish this with donations over three years.

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In addition, this resolution will provide $128,000 for the acquisition by the City of Milwaukee of former railroad right-of-way at 501 East Erie Street and for the purpose of performing an engineering study of the associated railroad structures.
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, Boundaries and a Project Plan for Tax Incremental District ("TID" or "District") No. 56 were approved by the Redevelopment Authority of the City of Milwaukee ("Authority") and the Common Council of the City of Milwaukee ("Common Council") in 2004; and

Whereas, Amendment No. 1 to the Project Plan for the TID was approved by the Authority and the Common Council in 2009; and

Whereas, Section 66.1105(6)(f), Wisconsin Statutes, allows tax incremental districts, under certain circumstances, to donate revenues to other tax incremental districts in the same municipality, and, generally, these circumstances are:

The "Donor" and the "Recipient" districts must have the same overlying taxing jurisdictions.

The amendment to donate funds must be made before the Donor district has recovered all of its project costs.

The Recipient district must have been created upon a finding that not less than 50 percent, by area, of the real property in the district is blighted, or is in need of rehabilitation; or, its Project Plan provided funds to create or rehabilitate low-cost housing or to remediate environmental contamination.

The Donor district, once established, cannot request or receive an extension to its life.

The amount of the donated funds may not exceed the difference between the annual tax incremental revenue collected by the Donor district and the funds needed to pay the Donor's project costs or debt service in that year.

Allocations of tax increment from the Donor district to a Recipient district must be approved by the Joint Review Board; and

Whereas, Amendment No. 2 to the Project Plan for TID No. 56 proposes specific donations to TID No. 58 (20th/Walnut), to TID No. 65 (20th/Brown) and to TID No. 66 (Metcalfe Park Homes), in such amounts necessary to fully repay their project costs and close-out these districts; and

Whereas, The parcel at 501 East Erie Street is in TID No. 56 and abuts an unimproved section of East Polk Street and the Milwaukee River, which makes the site suitable for recreational use or open space; and

Whereas, City of Milwaukee ("City") acquisition of 501 East Erie Street and the abutting pier is desirable, since the parcel contains obsolete railroad facilities that may be removed or improved and it is uniquely situated in an area where the City desires to connect the existing riverwalk along the Harbor Front Condominiums to other riverwalk sections to the northwest; and

Whereas, The condition of the rail structures and facilities are unknown at this time and will require an engineering study prior to constructing any improvements; and

Whereas, On June 13, 2013, pursuant to Section 66.1105(4)(h)1, Wisconsin Statutes, and following the required notice and public hearing, the Authority recommended adoption of Amendment No. 2 to the Project Plan for TID No. 56 ("Amendment" or "Amendment No. 2"), a

copy of which is attached to this Common Council File; 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. 040639, 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 Economic Feasibility Report 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 purposes for which the District was 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 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 by the Common Council and that 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, pursuant to Sections 66.1105(4)(g) and (4)(h)(1), Wisconsin Statutes; and, be it

Further Resolved, That the appropriate City officials, including the City Attorney, Commissioner of City Development, Commissioner of Public Works and the City Comptroller, are directed to enter into such agreements, as necessary, to accomplish the purposes of the Amendment; 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 City Comptroller is directed to transfer the sum of $128,000, plus up to 10 percent for capitalized interest, from the Parent TID Account to Project Account No. TD05680000 for the purpose of providing funds necessary to implement the Amendment.

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

4. The City Comptroller is directed to transfer tax incremental revenue received by TID No. 56, in the amounts set forth in Amendment No. 2, to such accounts as are appropriate for TID No. 58, TID No. 65 and TID No. 66.
DCD:AER:aer
06/20/13