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Title: Substitute resolution approving Amendment No. 4 to the Project Plan, two Cooperation Agreements and authorizing expenditures and additional funding for Tax Incremental District No. 37 (Grand Avenue), in the 4th Aldermanic District.

Sponsors: ALD. BAUMAN

Indexes: TAX INCREMENTAL DISTRICTS

Attachments: 1. Executed Agreement Dated 5-16-18, 2. Executed Agreement Dated 3-8-17, 3. Executed Agreement Dated 5-8-17, 4. Fiscal Impact Statement, 5. Amendment No. 4 to the Project Plan, 6. UI Construction-Boston Store Proposal, 7. Comptroller Letter, 8. Hearing Notice List, 9. WAMDC Activities Timeline, 10. MSO Documents, 11. PowerPoint Presentation

Date	Ver.	Action By	Action	Result	Tally
1/18/2017	0	COMMON COUNCIL	ASSIGNED TO		
1/24/2017	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/24/2017	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/24/2017	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/24/2017	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/31/2017	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	5:0
1/31/2017	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	SUBSTITUTED	Pass	5:0
2/7/2017	1	COMMON COUNCIL	ADOPTED	Pass	15:0
2/16/2017	1	MAYOR	SIGNED		

161313

SUBSTITUTE 1

971894, 990115, 000430, 131580

ALD. BAUMAN

Substitute resolution approving Amendment No. 4 to the Project Plan, two Cooperation Agreements and authorizing expenditures and additional funding for Tax Incremental District No. 37 (Grand Avenue), in the 4th Aldermanic District.

Tax Incremental District No. 37 was created in 1998 to revitalize the downtown retail and commercial district anchored by the Grand Avenue retail center. Initially, the District assisted in the construction of the Courtyard by Marriott hotel, as well as public infrastructure improvements in the area totaling \$2,500,000 in project costs. Amendment No. 1 to the District Project Plan was approved in 1999 and provided \$9,400,000 towards the redevelopment of the former Marshall Field's/Gimbels building into office, hotel and retail uses and is now known as the ASQ Center. Amendment No. 2 to the Plan was approved in 2000 and provided \$5,000,000 towards the redevelopment of the Boston Store building into office, residential and retail uses. Amendment No. 3 to the Plan was approved in

2014 and provided \$1,200,000 to Bon-Ton Stores, Inc. to assist in keeping its headquarters and the Boston Store department store in downtown Milwaukee.

Amendment No. 4 to the Plan authorizes funds for a number of projects and improvements surrounding the Grand Avenue mall complex: a facade grant to assist in the redevelopment of the Grand Theater (\$750,000), a forgivable loan to Bon-Ton Stores, Inc. (\$1,900,000), street improvement projects (\$4,365,000), other public infrastructure improvement projects (\$750,000) and administrative expenses (\$100,000), totaling \$7,865,000. This file also authorizes \$1,449,728 in additional project funding within Tax Incremental District No. 37 for previous project costs.

Whereas, On June 16, 1998, the Common Council of the City of Milwaukee ("Common Council") adopted File No. 971894, which approved a Project Plan and created Tax Incremental District No. 37 (the "District"); and

Whereas, On June 22, 1999, the Common Council adopted File No. 990115, which approved Amendment No. 1 to the District Project Plan ("Plan"); and

Whereas, On November 8, 2000, the Common Council adopted File No. 000430, which approved Amendment No. 2 to the Plan; and

Whereas, On April 2, 2014, the Common Council adopted File No. 131580, which approved Amendment No. 3 to the Plan; and

Whereas, Pursuant to Wisconsin Statutes, Section 66.1105(4)(h)1, on January 19, 2017, the Redevelopment Authority of the City of Milwaukee ("Authority") conducted a public hearing on Amendment No. 4 to the Plan ("Amendment"), approved the Amendment by resolution and submitted the Amendment, a copy of which is attached to this Common Council File, to the Common Council for its approval; and

Whereas, Pursuant to Wisconsin Statutes, Section 66.1105(5)(b), the percentage of territory within the District that will be devoted to retail business at the end of the maximum expenditure period is estimated to be 20 percent; and

Whereas, Funds provided to date are in the amount of \$18,106,000, and will be increased to \$27,420,728, plus capitalized interest; and

Whereas, In accordance with Section 304-93-4-d of the Milwaukee Code of Ordinances, the Plan for the District and the Department of City Development ("DCD") both estimate that the total District expenditures will be \$25,971,000 and the total authorized expenditures, after adoption of this resolution, will be \$27,420,728, plus capitalized interest; and

Whereas, Wisconsin Statutes, Sections 66.1105(4)(g) and 66.1105(h)1, provide that an Amendment to a Plan shall be approved by the Common Council with the adoption of a resolution, which contains a finding that the Plan, as amended, 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 the TID No. 37 expenditure limit is established at \$27,420,728, plus capitalized interest; and, be it

Further Resolved, 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, no new territory is being added to the District per Wisconsin Statutes, Section 66.1105(4)(h)1, and the findings made in File No. 971894, pursuant to Wisconsin Statutes, Section 66.1105(4)(gm)1, 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 Plan and makes related changes regarding the timing of project costs and methods of financing. The improvement and/or

development of such area are/is likely to enhance significantly the value of substantially all of the other real property in and adjoining the District.

3. The 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 Wisconsin Statutes, Section 66.1105(4), including Section 66.1105(4)(gm)4a.

4. Per Wisconsin Statutes, Section 66.1105(4)(gm)4c, 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 within the City, 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 is in conformance with Wisconsin Statutes, Sections 66.1105(4)(g) and 66.1105(4)(h)1, and the Plan for the 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 Wisconsin Statutes, Section 66.1105(5).

2. The City Comptroller is directed to transfer the sum of up to \$9,314,728, of which \$1,149,728 has already been released, plus capitalized interest for two years, if necessary, from the Parent TID Account to the Project Account No. 0336-1910-TD03780000 for the purpose of providing a portion of the necessary funding for implementation of the Amendment.

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

Further Resolved, That the proper City officials are directed to enter into two Cooperation Agreements for the purposes of implementing the Amendment on terms substantially in accordance with the Grand Theater and Bon-Ton Term Sheets for the District, which are attached to the Amendment; and, be it

Further Resolved, That the proper City officials are directed to execute any additional documents and instruments and to perform such acts, as necessary to carry out the purposes of the Amendment and this resolution, including, without limitation, execution of a Grant Agreement with Midwest Bikeshare, Inc. for up to \$50,000 and a Grant Agreement with WAM DC, LLC for up to \$100,000 for Wisconsin Avenue lighting, facade easements and human resource contracts.

DCD:Dan.Casanova:dac

01/25/17