



Legislation Text

File #: 121429, Version: 1

121429
SUBSTITUTE 1

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Substitute resolution approving a Project Plan and a Development Agreement, authorizing expenditures and creating Tax Incremental District No. 78 (The Northwestern Mutual Life Insurance Company), in the 4th Aldermanic District.

Tax Incremental District No. 78 (the "District") consists of a site of approximately 4.44 acres at 800 and 900 East Wisconsin Avenue that includes a 451,000 square-foot office building. Northwestern Mutual proposes to demolish the existing building and replace it with a 1,114,000 square-foot office building.

The District will fund an annual payment to Northwestern Mutual for a period of up to twenty-five years, equal to 70 percent of any incremental property taxes resulting from the increased taxable value of real and personal property in the District, not to exceed an amount sufficient to repay up to \$54,000,000, at 4.5 percent over 25 years. Payment will be conditioned on Northwestern Mutual achieving and maintaining employment projections in the City of Milwaukee. An additional \$19,300,000 in public infrastructure, a workforce and business development program and administrative costs will be funded by the District.

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 City's Common Council ("Common Council") and the Redevelopment Authority of the City of Milwaukee ("Authority") must follow to create a Tax Incremental District ("TID" or "District") and approve a Project Plan for a TID; and

Whereas, Pursuant to Section 66.1105(4) (a) through (gm), Wisconsin Statutes, on January 17, 2013 the Authority conducted a public hearing on the Project Plan, designated the boundaries of the District and 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 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" as defined in Section 66.1337 (2m) (a), 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 was found by the Authority to be "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 development of such area, as hereinafter provided, is likely to enhance significantly the value of substantially all of the other real property in and adjoining the 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 TIDs, does not exceed the statutory maximum 12 percent of the aggregate value of total equalized value of taxable property within the City of Milwaukee; and, be it

Further Resolved, That the District is created as of January 1, 2013, and that the boundaries of the District 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 the 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 the proper City officials are directed to enter into a Development Agreement for the purposes of implementing the Plan on terms substantially in accordance with the Term Sheet for TID No. 78, which is Exhibit 4 of the Plan; 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 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 District shall be designated Tax Incremental District No. 78.
4. Relative to the \$54,000,000 developer funded contribution provided for in the Plan, a variance is authorized from the procedures of Common Council File No. 68-461-x, being the Guidelines for the Control of Capital Expenditures, and directs the City Comptroller to:

Establish the appropriate accounts within the TID Project Account, No. 0336-1910-TD07880000, to appropriate tax incremental collections equal to the total required to repay the City contribution to Northwestern Mutual, as provided in the

Term Sheet for the District, in such amounts as set forth in the Plan, as shall be necessary to implement the Plan.

5. Relative to the balance of funding provided for public infrastructure, the workforce and business development program and administrative costs, in an amount of \$19,300,000, the City Comptroller is directed to transfer the sum of \$19,300,000, plus capitalized interest for two years, from the Parent TID Account to the Project Account No. TD07880000 for the purpose of providing the necessary funding for this component of the Plan.

6. 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; and, be it

Further Resolved, That the proper City officials are directed to execute any additional documents and instruments necessary to carry out the provisions of the Development Agreement and to implement the Plan; including, without limitation, contracts for implementation of the workforce and business development program, a grant agreement with Midwest BikeShare, Inc. to fund a portion of a bike share program, an out-of-program agreement and an amendment to the easement agreement to permit construction over vacated Cass Street.

DCD/Redevelopment Authority

DAC:dac

04/17/13