



Legislation Text

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170032
SUBSTITUTE 1

THE CHAIR

Substitute resolution relating to termination of the development agreement and other agreements among the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, Riverbend Place LLC and The Brewery Works, Inc. related to the Manpower redevelopment project, in the 6th Aldermanic District.

This substitute resolution approves the termination of a Development Agreement, release of the Tax Increment Guaranty, satisfaction of Mortgage and execution of Estoppel Certificates related to the Manpower project.

Whereas, Riverbend Place LLC and The Brewery Works, Inc. (collectively referred to as the "Developers") are the Developers of the Manpower development located generally between West Vliet Street, West Cherry Street, North Dr. Martin Luther King Jr. Drive and the Milwaukee River, including the parking structure located immediately north of West Cherry Street (the "Development"); and

Whereas, The City of Milwaukee ("City"), the Redevelopment Authority of the City of Milwaukee ("RACM") and the Developers are parties to a Development Agreement related to the Development; and

Whereas, The Development Agreement provides that a portion of the financing for the Development includes a loan in the total original principal amount of \$3,000,000 from RACM to the Developers (the "RACM Loan") funded through Tax Incremental District No. 41 ("TID No. 41"); and

Whereas, As part of the financing for the Development, the Developers provided a guaranty of the tax increment for TID No. 41; and

Whereas, Part of the security for the RACM Loan and the tax increment guaranty was a second mortgage on the office building portion of the Development (the "Mortgage"); and

Whereas, The City, RACM and the Developers are parties to a lease agreement for the parking garage portion of the Development and an air space lease for the skywalk that is part of the Development (collectively the "Leases"); and

Whereas, The Developers have notified the City and RACM that they intend to sell the Property; and

Whereas, As part of the sale transaction, the Developers have requested that the City and RACM terminate the Development Agreement, satisfy and release the Mortgage on the Property and execute Estoppel Certificates related to the Leases; and

Whereas, The Development has generated a sufficient increase in tax increment to cover the investment in the Project; and

Whereas, The balance of the RACM Loan will be paid in full via proceeds of the sale of the Project; and

Whereas, The Developers have agreed to execute a PILOT Agreement covering the Property;

now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the termination of the Development Agreement, the Release and Satisfaction of Mortgage and the execution of Estoppel Certificates are approved and the proper City officials are authorized to execute any documents necessary to carry out the intent of this resolution.

DCD:Alyssa.Remington:aer

04/26/17