



Legislation Text

File #: 170497, Version: 1

170497

SUBSTITUTE 1

040639, 040852, 080267, 090791, 130268, 141264, 141265, 150911

ALD. BAUMAN

Substitute resolution approving the Fourth Amendment to the Marine Terminal Building Development and Riverwalk Agreement and approving Amendment No. 5 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. TID No. 56 was amended again in 2013, by adoption of File No. 130268, to approve donation of funds from TID No. 56 to TID Nos. 58, 65 and 66 as well as to provide \$128,000 for the acquisition of the former railroad right-of-way located at 501 East Erie Street and engineering studies thereof. TID No. 56 was amended in 2014, by adoption of File No. 141264, to increase funding for riverwalk improvements, provide funding for public improvements, provide funding for public infrastructure related to the Milwaukee Streetcar and to provide a cash grant for business relocation. TID No. 56 was amended again in 2015, by adoption of File No. 150911, to provide funding for dockwall improvements. This substitute resolution approves the Fourth Amendment to the Development and Riverwalk Agreement for the Marine Terminal Building Riverwalk Project.

Amendment No. 5 to the Project Plan for TID No. 56 will provide \$1,170,650 in funding for the construction of the publicly accessible Trestle Park at 501 East Erie Street.

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 ("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 Plan for the TID was approved by the Authority and the Common Council in 2009; and

Whereas, Amendment No. 2 to the Plan for the TID was approved by the Authority and the Common Council in 2013; and

Whereas, Amendment No. 3 to the Plan for the TID was approved by the Authority and the Common Council in 2015; and

Whereas, Amendment No. 4 to the Plan for the TID was approved by the Authority and the Common Council in 2015; and

Whereas, On July 20, 2017, 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. 5 to the Plan for TID No. 56 ("Amendment" or "Amendment No. 5"), a copy of which is attached to this Common Council File; and

Whereas, The City of Milwaukee ("City"), by adoption of File No. 040852 on November 3, 2004, entered into the Marine Terminal Building Development and Riverwalk Agreement dated March 7, 2007 ("Agreement"), with Mandel Riverfront Holdings I LLC ("Developer") and Mandel Riverfront Holdings III LLC ("Expansion Developer"); and

Whereas, Said Agreement established the standards, rules and procedures for construction of the riverwalk; and

Whereas, The Agreement contained a do not exceed amount of the City's contribution of \$2,187,747, which amount included the City recapturing \$259,460 from the Developer and Expansion Developer via assessment, therefore, the gross City outlay was \$2,447,207 and this amount should have been reflected in the Agreement; and

Whereas, The City, the Developer and the Expansion Developer entered into the First Amendment to the Agreement dated July 1, 2008; and

Whereas, The Second Amendment to the Agreement was approved by the Common Council on December 16, 2014; and

Whereas, The Third Amendment to the Agreement was approved by the Common Council on November 2, 2015; and

Whereas, The City, the Developer and the Expansion Developer now desire to enter into a Fourth Amendment to the Agreement to: (1) provide funding for the construction of public amenities located on the property at 501 East Erie Street; (2) increase the funding amount for the public improvements located on the Jefferson Street stub end; and (3) authorize the Developer and Expansion Developer to construct the improvements; and

Whereas, The Fourth Amendment is needed to provide the City's share of the public improvement costs; and

Whereas, The City is willing to provide the Developer with \$1,170,650 for the public improvements at the Jefferson Street stub end and the 501 East Erie property in funds from TID No. 56 to finance the cost of constructing the public improvements; 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 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 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, 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; and, be it

Further Resolved, That the proper City officials are directed to execute any additional documents and instruments necessary to carry out and to implement the Plan; and, be it

Further Resolved, That the proper City officials are authorized to execute the Fourth Amendment to the Marine Terminal Building Development and Riverwalk Agreement, a copy of which is attached to this Common Council File; and, be it

Further Resolved, That the City Comptroller is directed to transfer the sum of \$956,659, plus capitalized interest for two years, from the Parent TID Account to Project Account No. TD05680000 for the purpose of providing funds necessary to implement the Amendment; and, be it

Further Resolved, That the City Attorney's Office, in cooperation with the Commissioner of City Development, is authorized to make such further minor modifications to said Fourth Amendment that are consistent with the intent and purpose of this resolution and which are mutually acceptable to the City Attorney, the Commissioner of City Development, the Developer and the Expansion Developer.

DCD:Alyssa.Remington:aer

07/20/17