



Legislation Text

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221699

ORIGINAL

030870, 040563, 041593, 050821, 100886, 101123, 211969

ALD. BAUMAN

Resolution authorizing a new tax exempt land use for the property located in the Park East Redevelopment Plan.

This resolution authorizes a new tax exempt land use (thereby waiving the prohibition thereof) for that certain property located in the Park East Redevelopment Plan, as amended from time to time (the “Plan”), having an address at 310 East Knapp Street, Milwaukee, Wisconsin, 53202; such resolution also authorizes, as applicable, the Commissioner of the Department of Neighborhood Services (“DNS”) and any other proper City of Milwaukee (“City”) officials to approve and/or issue a building permit(s) or occupancy permit(s) pursuant to the Milwaukee Code of Ordinances (“MCO”) for the Property, all subject to said Property being owned or to be acquired by Milwaukee School of Engineering (“MSOE”) for future “college” use as defined pursuant to the MCO/zoning code and further conditioned upon any necessary Board of Zoning Appeals (“BOZA”) approvals for such proposed tax exempt “college” use. Following such title transfer and “college” use and subject to a separate tax exemption application, said Property is contemplated to be classified as tax exempt effective January 1, 2024, subject to approval thereof by the Assessment Commissioner. The Plan prohibits new tax exempt uses and requires Common Council of the City of Milwaukee (“Common Council”) approval prior to the Commissioner of DNS’ approval and/or issuance of any building or occupancy permits for tax exempt property within its boundaries. This resolution also authorizes the City and MSOE to enter into a PILOT Agreement covering the Property, such PILOT Agreement being a material consideration for seeking the approvals contemplated herein.

Whereas, By passage of Resolution No. 9569 approved on December 15, 2003, the Redevelopment Authority of the City of Milwaukee (“RACM”) approved the Plan, which covers the Property; and

Whereas, On June 15, 2004, Common Council File No. 030870, the Common Council approved the Plan; and

Whereas, By passage of Resolution No. 9641 approved on August 19, 2004, RACM approved Amendment No. 1 (“Amendment No. 1”) to the Plan pursuant to which new tax-exempt land uses are prohibited, and the Executive Director of RACM and the Department of City Development (“DCD”) Commissioner are prohibited from approving and/or issuing a building permit pursuant to the MCO for any use or property classified by the City Assessment Commissioner as exempt as defined by the MCO and the Wisconsin Statutes, without the prior approval by RACM and the Common Council by passage of the appropriate resolutions (noting that now such permits are no longer issued by the DCD Commissioner, rather the Commissioner of DNS); and

Whereas, On September 21, 2004, Common Council File No. 040563, the Common Council approved Amendment No. 1 to the Plan; and

Whereas, On April 28, 2005, RACM Resolution No. 9708, and on May 3, 2005, Common Council File No. 041593, the Common Council adopted Amendment No. 2 to the Plan; and

Whereas, On November 17, 2005, RACM Resolution No. 9764, and on January 18, 2006, Common Council

File No. 050821, the Common Council adopted Amendment No. 3 to the Plan; and

Whereas, On December 16, 2010, RACM Resolution No. 10256, and on February 8, 2011 Common Council File No. 100886, the Common Council adopted Amendment No. 4 to the Plan; and

Whereas, On February 14, 2012, RACM Resolution No. 10272, and February 28, 2012 Common Council File No. 101123, the Common Council adopted Amendment No. 5 to the Plan; and

Whereas, On April 21, 2022, RACM Resolution No. 10906, and June 1, 2022 Common Council File No. 211969, the Common Council adopted Amendment No.6 to the Plan; and

Whereas, MSOE owns or intends to acquire the Property for future “college” use as defined in the MCO/zoning code, said use being subject to any necessary BOZA approvals; and

Whereas, MSOE’s usage of the Property would further enhance the Park East area and create a more vibrant downtown and is consistent with the City’s Comprehensive Plan; and

Whereas, Following such title transfer to MSOE and “college” use, conditioned upon a separate tax exemption application, which is subject to approval thereof by the Assessment Commissioner, it is contemplated that the Property will be classified by the Assessment Commissioner as tax exempt effective January 1, 2024; and

Whereas, The City and MSOE desire to enter into a PILOT Agreement, which would restore a portion of the lost property tax revenue under such exemption; and

Whereas, The initial amount of the PILOT payment under the PILOT Agreement shall be \$100,000, with a minimum of 25 percent thereof made as a cash payment to the City; and

Whereas, In lieu of cash payments, MSOE may make payments in kind, not to exceed 75 percent of the PILOT payment due each year, in the form of improvements on its campus and surrounding areas that serve to provide a direct benefit to the City and its residents, subject to certain approvals for said work. The cost of such public improvements shall be credited dollar for dollar as a payment in kind, said credit not to exceed 75 percent of the PILOT payment due for that year. Improvements not typically paid for by the City (e.g., improvements located wholly on MSOE property) are private improvements and may also be credited as payments in kind, up to a maximum of 50 percent of the total cost thereof, if their primary purpose is to benefit the public and agreement for the same is reached with the Commissioner of the Department of Public Works, said credit not to exceed 75 percent of the PILOT payment due for that year. For public improvements, in the event that the annual credit for a payment in kind is less than the total City-approved cost of the public improvements, the excess amount shall be credited dollar-for-dollar to MSOE in the subsequent years until exhausted. For private improvements, the excess amount shall be credited at 50 percent of the cost thereof in the subsequent years until exhausted; and

Whereas, In each subsequent year of the PILOT Agreement, the amount of the PILOT payment shall be increased by 2.5 percent; the PILOT Agreement shall remain in effect for a period of ten years, so long as the Property is fully or partially tax exempt during that period, and the parties may mutually agree to extend the term of the agreement for additional five-year term by written consent; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee that by adoption of this resolution, a new tax-exempt land use shall be permitted for the Property (thereby waiving the prohibition against new tax-exempt

land uses under the Plan in this instance), subject to said Property being owned or to be acquired by MSOE for future “college” use as defined pursuant to the MCO/zoning code, and further conditioned upon any necessary BOZA approvals for such proposed “college” use, and classification of the property as tax exempt by the Assessment Commissioner, and the City and MSOE entering into the PILOT Agreement contemplated herein; and, be it

Resolved, By the Common Council of the City of Milwaukee that by adoption of this resolution, the Commissioner of DNS and any other proper City officials are authorized to approve and/or issue a building permit(s) or occupancy permit(s) pursuant to the MCO for the Property in accordance with the Plan (the approval and/or issuance of a building permit or occupancy permit for the Property also being subject to the approval of RACM as required by Amendment No. 1 to the Plan), subject to said Property being owned or to be acquired by MSOE for future “college” use as defined pursuant to the MCO/zoning code, and further conditioned upon any necessary BOZA approvals for such proposed “college” use and classification of the property as tax exempt by the Assessment Commissioner; and, be it

Further Resolved, By the Common Council of the City of Milwaukee that by adoption of this resolution that the proper City officials are authorized to enter into and execute the PILOT Agreement with MSOE substantially consistent in form and substance with the terms of Exhibit A hereto and any other ancillary agreements and instruments needed to effectuate the PILOT Agreement, with such minor revisions as may be necessary in the standard forms of such documents as required to address issues encountered during the finalization of thereof, as approved by the proper City officials.

DCD:Lauren.Brady:lb

02/28/23/A