



Legislation Text

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090687
Substitute 1

ALD. BAUMAN

Substitute resolution authorizing additional funding for Tax Incremental District No. 48, Park East, and approving the terms of a Development Agreement for the property located at 1141 North Old World Third Street, in the 4th Aldermanic District.

This substitute resolution approves the terms of a Development Agreement and increases the funding of TID No. 48 by \$11,000,000 for the purpose of providing loans for construction of The Moderne, providing funds for construction of a public park and providing funds for administration costs associated with the TID.

Whereas, The Common Council of the City of Milwaukee ("Common Council") approved the creation of Tax Incremental District No. 48 ("TID No. 48" or "TID") on March 5, 2002, via File No. 011182, and amended such TID on May 3, 2005, via File No. 041514, and increased the funding of such TID on April 9, 2008, via File No. 071392, and again on May 27, 2009, via File No. 081717; and

Whereas, The Common Council, in accordance with Section 304-93 of the Milwaukee Code of Ordinances and the Updated Economic Feasibility Study for TID No. 48, a copy of which is attached to this Common Council File, desires to provide funding sufficient to cover all TID No. 48 improvement costs, including public open space, direct assistance to private projects in the form of loans and city administration in accordance with the Project Plan; and

Whereas, The Common Council, in accordance with Section 304-93 of the Milwaukee Code of Ordinances and the Updated Economic Feasibility Study for TID No. 48, desires to enter into a Development Agreement among the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee and The Milwaukee Moderne, LLC, to provide a Completion Loan in the amount of \$6,000,000 and a Mezzanine Loan in the amount of \$3,300,000 for the proposed Moderne project in accordance with a Term Sheet, a copy of which is attached to this Common Council File; and

Whereas, The Commissioner of the Department of City Development has the discretion to reallocate up to \$500,000 between the two loans; and

Whereas, The Common Council, in accordance with Section 304-93 of the Milwaukee Code of Ordinances and the Updated Economic Feasibility Study for TID No. 48, desires to provide \$1,700,000 for the design and construction of a public park and city administration of the Park East TID, over the life of the TID; and

Whereas, The Updated Economic Feasibility Study demonstrates that the proposed Moderne project combined with other constructed redevelopment projects and inflation on non-active parcels in the TID, is projected to generate sufficient revenues to TID No. 48 to fully amortize \$32,260,741 in net bond proceeds by 2025 (TID Year 24); and

Whereas, Funds expended and provided to date are in the amount of \$21,242,328, plus capitalized interest, and will be increased to \$32,260,741, plus capitalized interest, which includes the projects within the Updated Economic Feasibility Study; now, therefore, be it

Resolved, That the Common Council of the City of Milwaukee, authorizes an increase in funding totaling \$11,000,000 and approves the Term Sheet for The Moderne Development Agreement; and, be it

Further Resolved, That the Common Council authorizes up to, not to exceed, \$9,300,000 in the form of loans for The Moderne project and a total of \$1,700,000 for the public space and for administration; and, be it

Further Resolved, That the TID No. 48 expenditure limit is established at \$32,260,741, plus capitalized interest; and, be it

Further Resolved, That the project costs relate directly to promoting development consistent with the City's Master Plan and with the purpose(s) for which the TID was created under Section 66.1105(4) (gm)4.a., Wisconsin Statutes; and, be it

Further Resolved, That the City Comptroller is directed to transfer the sum of \$11,000,000, plus capitalized interest, from the Parent TID Account to Project Account No. TDO4880000, raising the Project Account to \$32,260,741, plus capitalized interest, for the purpose of providing funds necessary to implement the Project Plan; and, be it

Further Resolved, That the Commissioner of the Department of City Development is directed to enter into contracts and agreements as necessary to carry out said improvements.

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10/21/09