

Redevelopment Authority of the City of Milwaukee

Resolution No.: 10306
Adopted on: September 15, 2011
Project / Area: Menomonee Valley “K”
Aldermanic District: 12th

Resolution approving a first amendment to a Cooperation, Reimbursement, and Redevelopment Agreement (Harley-Davidson Museum Project).

Whereas, On September 16, 2004 the Redevelopment Authority approved Resolution No. 9646 approving a Project Plan and creating Tax Incremental District No. 57, Menomonee Valley East Project; and

Whereas, On October 14, 2004 the Redevelopment Authority approved Resolution No. 9656 authorizing a Purchase and Sale Agreement with H-D Milwaukee LLC for the properties at 6th and Canal Streets for development of the Harley-Davidson Museum; and

Whereas, The City, Redevelopment Authority, and H-D Milwaukee, LLC entered into a Cooperation, Reimbursement and Redevelopment Agreement (“Agreement”) dated as of February 1, 2005 providing for the development of a three-phase, 230,000 s.f. Harley-Davidson museum complex at a cost of \$95 million to be located at N. 6th and W. Canal Streets in the City of Milwaukee; and

Whereas, Phases I and II of the complex were completed in June 2008, consisting of the main museum structure, archives building, conference/ reception facility and restaurants; and

Whereas, As provided in the Agreement, Phase III of the complex, consisting of one or more office and/or commercial structures totaling approximately 100,000 s.f., is to be completed on or before June of 2011; and

Whereas, Harley-Davidson, Inc. has indicated that due to the deep recession, especially affecting real estate, together with Harley-Davidson’s refocus of its business strategy on the transformation of its operations to be competitive and viable long term, Harley-Davidson is not able to proceed with Phase III and wishes to eliminate the requirement to build Phase III; and

Whereas, as provided in the Agreement, in the event Phase III is not substantially completed on a timely basis, the City may sue for damages or exercise its option to repurchase two parking sites located west of 6th Street which the City sold for the museum development; and

Whereas, The First Amendment to the Agreement, attached to this file, provides for the elimination of the requirement to complete Phase III of the museum complex, the elimination of the above remedies on the part of the City, and the payment of \$700,000 to fund future redevelopment projects in the city; and

Whereas, the First Amendment to the Agreement also provides for a First Offer of the parking lots to the west of 6th Street, to the City and/or RACM, for a purchase price of \$535,000, for the next five years; and

Whereas, In the event the third phase of the complex, or the substantial equivalent thereof, is eventually completed, the First Offer would terminate; now, therefore, be it

Resolved, By the Redevelopment Authority of the City of Milwaukee that a First Amendment to Cooperation, Reimbursement, and Redevelopment Agreement is hereby approved and the proper City officers are authorized and directed to execute such First Amendment on behalf of the City.

CERTIFICATION

(seal)

I certify that the forgoing is a true and exact copy of a resolution adopted by the Redevelopment Authority of the City of Milwaukee, WI on the date set forth above.



David P. Misky
Assistant Executive Director – Secretary
