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(ITEM) From the Director of County Economic Development, Department of Administrative Services, requesting authorization to declare the O'Donnell Parking Structure and the related land located at 929-31 East Michigan Street surplus and requesting authorization for the County to enter into a Purchase Agreement and related agreements with The Northwestern Mutual Life Insurance Company for the purchase of such property, by recommending adoption of the following:

A RESOLUTION

WHEREAS, adopted County Board Resolution File No. 11-154 created the Long-Range Lakefront Planning Committee, comprised of officials from Milwaukee County and the City of Milwaukee, as well as other representatives from the various lakefront attraction and the business community; and

WHEREAS, adopted County Board Resolution File 11-401 adopted the Long-Range Lakefront Planning Committee's Report (Lakefront Plan), including the goal of the continuation of the O'Donnell Parking Structure "in its current function in the short-term, while considering redevelopment options long-term"; and

WHEREAS, the Lakefront Plan indicates a desire for the O'Donnell Parking Structure to have increased maintenance, increased security, and create an inviting area for Downtown Milwaukee; and

WHEREAS, since the Lakefront Plan was adopted, The Northwestern Mutual Life Insurance Company (NM) has announced plans to invest approximately \$450 million in a new corporate headquarters adjacent to the O'Donnell Parking Structure; and

WHEREAS, NM has expressed an interest in owning and maintaining the O'Donnell Parking Structure to create an inviting area for Downtown Milwaukee as called for in the Lakefront Plan; and

WHEREAS, NM has been a major employer, investor, philanthropist, and community partner in Milwaukee for over 150 years, currently employing over 5,000 people in Milwaukee County; and

WHEREAS, it is desirable to Milwaukee County to maximize the use of existing structured parking so that other land in downtown Milwaukee is not developed solely as structured parking; and

WHEREAS, the O'Donnell Parking Structure is currently zoned as Parks and Recreation which requires that the property only be used "to accommodate a wide variety of public and quasi-public open spaces and facilities providing recreational and cultural opportunities and supporting services for surrounding neighborhoods," and NM has agreed to at all times maintain and operate the property in compliance with City of

47 Milwaukee zoning requirements; and

48

49 WHEREAS, as stated in the attached revised agreement, Milwaukee County has
50 the authority to approve or deny the removal of the deed restrictions on O'Donnell
51 Parking Structure that require the use of the property as a park; and

52

53 WHEREAS, the Comptroller established a Workgroup to review the options
54 related to the property and determined that "selling the O'Donnell park facility to NM
55 under the proposed sale terms ..., to be the most fiscally advantageous option to the
56 County ..."; and

57

58 WHEREAS, the County has outstanding certain obligations described on
59 Schedule 1 (Outstanding County Obligations) hereto and incorporated herein by this
60 reference, a portion of which were used in the amounts described on Schedule 1 to
61 make improvements to the O'Donnell Parking Structure (Outstanding ODP Obligations);
62 and

63

64 WHEREAS, pursuant to a Master Capital Lease Agreement dated December 1,
65 2007, between Chase Equipment Leasing Inc., and the County (Master Lease), the
66 County financed a lighting retrofit project at the O'Donnell Parking Structure (ODP
67 Lease); and

68

69 WHEREAS, in order to maintain the tax-advantaged status of the Outstanding
70 County Obligations and the Master Lease, the County intends to use a portion of the
71 proceeds of the sale of the O'Donnell Parking Structure in an amount necessary to
72 redeem or defease all of the Outstanding ODP Obligations and to prepay the ODP
73 Lease within 90 days of the executed purchase agreement with NM in order to comply
74 with the remedial action rules under Section 1.141-12 of the Treasury Regulations; and

75

76 WHEREAS, the proceeds from the sale of the O'Donnell Parking Structure, net of
77 the amount of proceeds needed to redeem or defease the Outstanding ODP Obligations
78 and prepay the ODP Lease, can be utilized to offset the capital and maintenance needs
79 of parks throughout Milwaukee County; now, therefore,

80

81 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby declares
82 the O'Donnell Parking Structure (ODP) and the related land located at 929-31 East
83 Michigan Street, Milwaukee, Wisconsin surplus such that it may be sold; and

84

85 BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors
86 hereby authorizes the County Executive to execute and record all documents and
87 perform all actions required to enter into the attached Option to Purchase (Option) and
88 Purchase Agreement with The Northwestern Mutual Life Insurance Company for 929-
89 931 East Michigan Street; and

90

91 BE IT FURTHER RESOLVED, the Purchase Price shall be \$14,000,000 less a

92 restoration credit of \$1,300,000; and

93

94 BE IT FURTHER RESOLVED, that the County Executive and the County Clerk
95 and/or other appropriate County officials be hereby authorized to execute, after
96 Corporation Counsel approval, any and all instruments, rights of entry, documents that
97 are called out in the Purchase Agreement and required to implement the intent of this
98 resolution, including without limitation a Special Warranty Deed for the property; and

99

100 BE IT FURTHER RESOLVED, that the Milwaukee County Office of the
101 Comptroller along with other appropriate County officials, the County's financial advisor,
102 and the County's bond counsel are authorized and directed to take such actions as are
103 necessary to accomplish the redemption or defeasance of the Outstanding ODP
104 Obligations and prepayment of the ODP Lease; among the actions that are authorized
105 to be taken are the following:

106

107 (1) The naming of an escrow agent, execution of an escrow agreement with such
108 escrow agent, establishment of an escrow fund to provide for the redemption
109 and/or defeasance of the Outstanding ODP Obligations, and the deposit of
110 the necessary proceeds from the sale of the O'Donnell Parking Structure into
111 the escrow fund.

112 (2) Request consent from Chase Equipment Leasing, Inc., for the sale of the
113 property financed by the ODP Lease and execution of any agreements with
114 Chase Equipment Leasing, Inc., as required to prepay the ODP Lease,
115 including an amended Schedule and the establishment of an escrow fund for
116 such purpose.

117 (3) The purchase of United States government securities with the sale proceeds
118 deposited in the escrow fund(s).

119 (4) Determine the date of and provide notice of the redemption and defeasance
120 of the Outstanding ODP Obligations and prepayment of the ODP Lease.

121 ; and

122

123 BE IT FURTHER RESOLVED, that the authorization for the sale of the O'Donnell
124 Parking Structure and the related actions described above are subject to determination
125 by the County's Comptroller, based on advice from the County's bond counsel, that the
126 County is able to satisfy the Remedial Action Rules or to take other action approved by
127 the Comptroller to preserve the tax-advantaged status of the Outstanding County
128 Obligations and the ODP Lease or otherwise protect the County against adverse
129 financial consequences with respect to the Outstanding County Obligations and the
130 ODP Lease; and

131

132 BE IT FURTHER RESOLVED, that the Milwaukee County Office of the
133 Comptroller is authorized to pay professional fees charged by the County's financial
134 advisor, bond counsel, escrow agent, escrow verification agent, and any other
135 professionals for services performed in connection with the defeasance and/or
136 redemption of the Outstanding ODP Obligations and prepayment of the ODP Lease;

137 and

138

139 BE IT FURTHER RESOLVED, that, upon the sale of the O'Donnell Parking
140 Structure, the Milwaukee County Office of the Comptroller is authorized to establish a
141 Parks Trust Fund to maintain unencumbered net land sale proceeds from this
142 transaction and, if and to the extent required by the Remedial Action Rules, treat and
143 invest such proceeds as proceeds of the Outstanding County Obligations and the ODP
144 Lease; and

145

146 BE IT FURTHER RESOLVED, that the Department of Administrative Services –
147 Fiscal Affairs shall administratively transfer funds from and to the Parks Trust Fund as
148 required by future action of the County.

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srb
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