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(ITEM) From the Director of Operations, Department of Administrative Services, requesting authorization to enter into a Memorandum of Agreement with the City of Wauwatosa for the transfer of seven Milwaukee County water utility customers and the West Water Tower to the City of Wauwatosa, by recommending adoption of the following:

A RESOLUTION

WHEREAS, as Milwaukee County government’s presence on the County Grounds has diminished over the years, the County has considered the possible transfer of its water utility to the City of Wauwatosa; and

WHEREAS, the Zoo Interchange mitigation projects for Swan Boulevard and Watertown Plank Road have revived these discussions largely due to the significant costs that would be borne by the County’s water utility customers for the relocation of water mains and other related infrastructure that is located within the Watertown Plank Road and Swan Boulevard rights-of-way; and

WHEREAS, in the fall of 2012, Milwaukee County (the County) and the City of Wauwatosa (the City) met to discuss the possibility of transferring the County’s water utility to the City and agreed to engage the Public Policy Forum (PPF) in a professional services agreement for the analysis of the pros and cons of transferring the County’s water utility to the City; and

WHEREAS, the County and the City agreed to share equally in the \$20,000 cost of the contract, and in January of 2013, the County and the City executed separate professional service agreements with PPF for the analysis; and

WHEREAS, due to the Wisconsin Department of Transportation’s (WisDOT) deadlines for submission of plans and specifications related to the reconstruction of Swan Boulevard and Watertown Plank Road, the PPF, with the permission of the County and the City, analyzed those parts of the water system (described as Phase I and Phase II) directly impacted by the Swan Boulevard and Watertown Plank Road mitigation projects immediately with the remainder of the system (described as Phase III) to be analyzed separately in order for the County to meet WisDOT deadlines; and

WHEREAS, the final report for Phases I and II was presented to the County and the City in April of 2013, and subsequently, the County and the City agreed to commence negotiations for the transfer of seven customers and the West Water Tower (Tower) to the City; and

WHEREAS, transfer of the seven water utility customers, which include the University Wisconsin Milwaukee (UWM) Real Estate Foundation’s Innovation Park, LLC, Milwaukee County’s Camp Wil-O-Way building on Underwood Parkway, UW Milwaukee County Cooperative Extension’s Urban Gardens, Milwaukee County’s Fleet building, Wisconsin Lutheran College, Milwaukee County Research Park Corporation (MCRPC), and Milwaukee

47 County's Children's Court Center, will result in a positive fiscal impact to Milwaukee County;
48 and

49
50 WHEREAS, this positive fiscal impact is achieved by the County receiving a portion of
51 net realized revenue the City would gain from the addition of the County's seven customers to its
52 water system, for a total savings to the County of approximately \$28,102 annually; and

53
54 WHEREAS, the most significant fiscal savings would result from avoiding costs related
55 to the relocation of water utility infrastructure for the reconstruction of Swan Boulevard and
56 Watertown Plank Road and for the future demolition and reconstruction of the Tower for a total
57 approximate savings, to all County water utility customers, of \$3,132,250; and

58
59 WHEREAS, based on the PPF's report on the Phase I and Phase II transfer of the seven
60 water utility customers and Tower from the County to the City, negotiation of the following
61 terms of a Memorandum of Agreement was negotiated as follows, as amended by the County
62 Board:

- 63
- 64 1. This Agreement shall be for a term of 10 years. Ten years represents that length of
65 time required to defease the general obligation bonds (the Bonds) issued by the
66 County to finance the Tower (See Attachment A). Upon the conclusion of year ten,
67 ownership of the Tower and underlying land shall be transferred to WAUWATOSA
68 at fair market value based on an appraisal that shall be performed by an appraiser
69 agreed to by the City and County.
 - 70 2. During the term of the Agreement, WAUWATOSA shall pay Milwaukee County
71 (MC) an annual sum, which will be the greater of \$25,000 or forty percent (40%) of
72 the total net revenue realized by WAUWATOSA from the transfer of the seven
73 water utility customers to WAUWATOSA's water utility system. The payment shall
74 be made by April 1 for the preceding year.
 - 75 3. During the term of this Agreement, MC will retain the current cell antenna revenue
76 collected at this location.
 - 77 4. WAUWATOSA will maintain the Tower and MC shall provide WAUWATOSA
78 with technical support as necessary to effectuate transference of the Tower and seven
79 water utility customers.
 - 80 5. As part of the transfer, MC agrees to execute an easement agreement with
81 WAUWATOSA for the water mains that will become part of the WAUWATOSA
82 Water Utility through the transfer of the seven customers (as named in the recitals)
83 and the Tower.
 - 84 6. Neither MC nor the seven customers transferred to WAUWATOSA shall be
85 responsible for any costs not directly associated with the provision of water service
86 or other services actually provided by WAUWATOSA to MC or those customers.
 - 87 7. WAUWATOSA will not take any action, omit to take any action, cause any action to
88 be taken, or cause the omission of any action that would adversely affect the
89 exclusion of the interest on the Bonds from the gross income of the owners of the
90 Bonds for federal income tax purposes, including without limitation of any private
91 use of the Tower (or the water stored therein) provided that WAUWATOSA is not
92 responsible for the effect that the continuation or renewal of any existing contracts or

93 use arrangements made by MC with respect to the Tower have on the tax-exempt
94 status of the interest on the Bonds.

95 8. IN WITNESS WHEREOF, the Parties have caused this instrument to be executed on
96 the stated day and year.

97

98 ; now, therefore,

99

100 BE IT RESOLVED, pursuant to Wisconsin State Statute 59.17(2)(b)3, the Milwaukee
101 County Board of Supervisors hereby approves the Memorandum of Agreement between
102 Milwaukee County and the City of Wauwatosa for the transfer of seven Milwaukee County
103 water utility customers and the West Water Tower to the City of Wauwatosa as outlined in this
104 resolution.

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