



Legislative Fiscal Bureau

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June 29, 2015

TO: Senator Scott Fitzgerald
Representative Robin Vos
State Capitol

FROM: Bob Lang, Director

SUBJECT: Summary of LRB 2678/P1: Milwaukee Sports Arena

As you requested, this memorandum provides a summary of the provisions of LRB 2678/P1, a proposal to finance a sports arena in downtown Milwaukee.

Summary of Project Funding Proposal

Sports and Entertainment Facilities Project Funding. Expand the authority of the Wisconsin Center District (WCD) to allow the District to issue up to \$203 million in bonds to assist in the construction of a sports and entertainment arena and sports and entertainment arena facilities in downtown Milwaukee. In addition, before any state funding could be provided to WCD for the project, the Secretary of the Department of Administration (DOA) would have to determine that the City of Milwaukee has provided at least \$47 million and the Wisconsin Center District has issued debt for the development and construction of a sports and entertainment arena facility. The proposal also anticipates that the City will finance the construction of a \$35 million parking structure and \$12 million in bonds for a tax incremental financing (TIF) district development near the facilities.

WCD would provide \$203 million in bond proceeds for the project. However, in order to do this, it is anticipated that WCD would have to issue more than \$203 million in bonds, as allowed under the bill, for the following amounts: (a) amounts to pay issuance or administrative expenses; (b) to make deposits to reserve funds; (c) to pay accrued or funded interest; and (d) to pay the costs of credit enhancement. The accrued or funded interest would include any potential capitalization of interest associated with zero coupon bonds that are expected to be issued by WCD. It is likely that WCD would have to issue zero coupon bonds because its current tax revenues are needed to retire the district's existing bonds, and thus, would not be fully available to pay debt service on any new bonds until that current debt is retired.

WCD would use the following revenues to fund the debt service on the bonds they would issue for the project: (a) \$55 million in bonding would be supported by a \$4 million annual GPR appropriation from the state to make grants to the district, which would sunset in 2035-36 and would be limited to \$80 million; (b) \$55 million in bonding would be supported by a separate \$4 million annual GPR appropriation from the state to make grants to the district which would sunset in 2035-36 and would be offset by GPR revenues associated with the first \$4 million annually in Milwaukee County debts that the state Department of Revenue (DOR) would be required to collect on behalf of the County; and (c) \$93 million in bonding would be financed by indefinitely extending the existing WCD taxes, which would otherwise end after the district's current debt is retired, which is scheduled to occur in 2032.

The following table lists the principal and estimated interest costs associated with the debt to be issued by the Wisconsin Center District for the sports and entertainment arena facilities in Milwaukee. Milwaukee County staff provided the cost estimate indicated in the table for the debt to be retired using the existing WCD taxes. The state appropriation to WCD, as well as the state appropriation to be offset annually from debts collected for Milwaukee County, would each support \$55 million in principal, assuming a 3.87% rate and a uniform, 20-year repayment schedule.

Arena Financing Plan -- Proposed WCD Debt*

	Funds to Cover WCD Costs		
	<u>Principal</u>	<u>Interest**</u>	<u>Total</u>
State Appropriation	\$55,000,000	\$25,000,000	\$80,000,000
State Debt Collection for Milwaukee County	55,000,000	25,000,000	80,000,000
Wisconsin Center District Taxes	<u>93,000,000</u>	<u>124,250,000</u>	<u>217,250,000</u>
 Total	 \$203,000,000	 \$174,250,000	 \$377,250,000

* Similar to SB21/AB21, does not include City of Milwaukee debt for TIF district or parking facilities.

** Includes estimated capitalization of interest associated with WCD issuing zero coupon bonds.

State Funding for the Existing Bradley Center. In addition to the state contribution to WCD for the proposed sports and entertainment arena facilities, the state would also provide \$10 million GPR to assist the Bradley Center Sports and Entertainment Corporation in retiring its obligations and any contractual liabilities. Also, the Governor's 2015-17 capital budget recommendations to the Building Commission, adopted by the Joint Committee on Finance, would provide \$6 million in bonding for maintenance and repair projects at the Bradley Center over the next two years.

Summary of LRB 2678/P1 ("Bill")

The proposal would delete the Governor's recommendation, including the \$220,000,000 in appropriation obligation bonds and \$2,800,000 in net GPR expenditures (\$25,234,500 GPR and \$22,434,500 GPR-Lapse) associated with the bonds and would replace it with provisions included in LRB 2678/P1.

The bill makes references to a sponsoring municipality when referring to the City of Milwaukee and to a county with a population over 750,000 that contains a first class city or as the most populous county in which the sponsoring city is located when referring to Milwaukee County. For the purposes of this memorandum, the City of Milwaukee and Milwaukee County will be used when these references are used under the bill to specifically refer to the City and County.

Changes to State and County Authority

State Appropriations. Create four new state appropriations as follows:

a. Two separate, GPR sum certain appropriations and provide \$4,000,000 GPR in each appropriation in 2016-17 to make payments to a local exposition district to assist in the development and construction of the district's sports and entertainment home arena facilities. One of the appropriations is related to the Milwaukee County debt collection provisions in the bill, although it would not be statutorily tied to those provisions. Specify that both appropriations would be repealed on June 30, 2036. Require that the appropriation that is not related to the Milwaukee County debt collection provisions under the bill be limited to a cumulative total of \$80,000,000.

b. A biennial appropriation funded at \$10,000,000 GPR in 2016-17 for the payment of grants to the Bradley Center Sports and Entertainment Corporation. Specify that the appropriation would be repealed on June 30, 2017.

c. An all moneys received appropriation from debts collected pursuant to a state debt collection agreement with Milwaukee County to be distributed to the County that certified the debts. Specify that the first \$4,000,000 annually in monies received would be transferred to the general fund, and the remaining balance would be distributed to the County, except those amounts agreed upon by the County and DOR to be held in reserve in this appropriation account for future payment to the County or to transfer to the state general fund. Estimate \$4,000,000 in 2016-17 in general fund revenue associated with this provision. Specify that on June 30, 2036, this appropriation would be repealed and recreated to distribute all funds to the County certifying the debts.

DOA Authority. Require DOA Secretary to annually remit payments from the two separate GPR appropriations created under the bill to a local exposition district to assist in the development and construction of the district's sports and entertainment arena facilities. Provide that the Secretary may not remit more than a cumulative total of \$80,000,000 from one of the appropriations (the payments by DOA to a local exposition district). The other GPR appropriation would not have a limit. Specify that until the Secretary has determined that the City of Milwaukee has provided at least \$47,000,000 to assist a local exposition district in the development and construction of sports and entertainment arena facilities and the local exposition district has issued debt to fund the development and construction the facilities, the Secretary may not: (a) remit the annual payment to the district; or (b) transfer moneys to the general fund from the appropriation account associated with the collection of debt. Repeal these provisions on June 30, 2036.

During the 2015-17 biennium, provide the DOA Secretary the authority to make one or more grants to the Bradley Center Sports and Entertainment Corporation for the purpose of assisting the Corporation in retiring its obligations and other financial liabilities. Repeal these provisions on June 30, 2017.

Specify that if in any year Milwaukee County does not certify its debts for collection to the fullest extent possible, as determined by the DOR Secretary, or DOR collects less than \$4,000,000 of the debts certified, DOA would be required to reduce the County's county and municipal aid payment for that year by the amount of the County's debt that is not certified, or the amount of the shortfall. Specify the reduction amount may not exceed \$4,000,000 in any year. Require that the official responsible for preparing the budget for the County, and the final budget approved by the County, to proportionately reduce funding to each County department, division, or office that caused the reduction, as determined by DOR.

Authorize DOA the authority to provide financial consulting services to a local exposition district board.

Legislative Findings. Specify that the Legislature determines that sports and entertainment arena facilities of a local exposition district encourage economic development and tourism in this state, reduce unemployment in this state, preserve business activities within this state, and bring needed capital into this state for the benefit and welfare of people throughout the state. Provide that it is therefore in the public interest and will serve a public purpose, and it is the public policy of this state, to assist a local exposition district in the development and construction of sports and entertainment arena facilities.

DOR Authority. Require DOR to do the following related to the newly-created, program revenue (PR) appropriation account for the Department's debt collection activities for Milwaukee County:

- a. Credit the debts collected for the County to the PR appropriation account;
- b. Pay to Milwaukee County in each fiscal year an amount equal to the debts collected and credited by the Department to that appropriation account in that fiscal year, less \$4,000,000 and any other amounts specified in an agreement between DOR and the County; and
- c. Enter into an agreement with the County to determine the amount of debts collected in a fiscal year that are not paid to the County, but that may be reserved in the state appropriation account for payments to the County or transfers to the state's general fund.

Specify that the provisions under "b" and "c" would be repealed on June 30, 2036.

Debt Collection Agreements With Milwaukee County. Require Milwaukee County to enter into an agreement with DOR to collect all of the County's debt. Allow the agreement to take place by written proclamation of the County Executive without action being taken, or approval needed from, the County Board. In addition, require the County to enter into a similar agreement with DOR for the clerk of circuit court of the County no later than October 5, 2015. Specify that in entering into any debt collection agreement with DOR, the County would be required to do the

following:

- a. Execute an agreement with the Department no later than October 5, 2015, that would allow the County to refer debts for collection over time, subject to DOR approval, rather than refer all debts for collection at the time the County and DOR enter into the agreement;
- b. Specify in the agreement under "a" that debts for restitution owed to a person other than the County could not be certified to DOR;
- c. Recertify debts currently certified for setoffs for counties and municipalities that are greater than \$50 and more than 90 days past due to DOR, and require the County to certify these debts electronically, in the manner determined by DOR, no later than December 1, 2015; and
- d. Certify any debt owed to the County that is more than 90 days past due to DOR, unless the debt is subject to active negotiation between the County and the debtor.

Require DOR to notify the Milwaukee County of all certified debts that the Department determines are uncollectible, and allow the County to enter into a contract with a debt collector to collect those debts. Specify that all amounts collected by DOR for Milwaukee County's circuit court would be paid to DOR and no person would have any claim to the amounts. As under current law, any revenue from collection fees assessed by DOR related to debt collected pursuant to an agreement would be deposited to DOR's general debt collection appropriation.

Debt Collection Agreements -- General Provisions. Modify current law to require DOR to charge a collection fee to the debtor rather than an amount for administrative expenses related to debt collection activities. Any revenue from collection fees assessed by the Department would continue to be credited to DOR's general debt collection appropriation, as required under current law for amounts charged for administrative expenses.

Specify that current law references to fines and forfeitures for purposes of clerk of circuit court debt collection would refer instead to debt. Provide any county board the authority to adopt a resolution authorizing the clerk of circuit court to contract with DOR for the collection of unpaid debt. Specify that for any contract for debt collection entered into with DOR, the clerk of circuit court would be required to provide DOR the authority to charge a collection fee related to those debts.

Except as required for Milwaukee County, if authorized by the county board, a county treasurer may enter into an agreement with a debt collector or DOR for the collection of debt. Require any contract with a debt collector to provide that the debt collector be paid from the proceeds recovered by the debt collector.

Tax Incremental Financing (TIF) District Modifications. For a first class city, make the following modifications to the statutes governing TIF districts:

- a. Specify that expenditures made, or estimated to be made, or monetary obligations incurred, or estimated to be incurred, by a first class city to fund parking facilities ancillary to, and within one mile from, public entertainment facilities, including a sports and entertainment

arena, would be considered to benefit any TIF district located in whole, or in part, within a one-mile radius of such parking facilities and could be included as project costs;

b. Specify that a grant, loan, or appropriation of funds to assist a local exposition district in the development and construction of sports and entertainment arena facilities would be eligible project costs provided that the city and the local exposition district enter into a development agreement;

c. Allow for payments of projects costs to be made from the proceeds of revenue bonds issued by a redevelopment authority in concert with the city pursuant to an intergovernmental cooperation agreement; and

d. Specify that if a first class city creates a TIF district, and approves a project plan after July 1, 2015, that includes as project costs a grant or loan to a local exposition district for the development and construction of sports and entertainment arena facilities, the current law requirement that the equalized value of the proposed district plus the value increment of all existing districts within the city does not exceed 12% of the total equalized value of property within the city would not apply to that district.

Tax Exemptions. Expand the current law property tax exemption for a local exposition district to include sports and entertainment arena facilities, except that any portion of the sports and entertainment arena facilities that is used, leased, or subleased for use as a restaurant or for any use requiring a license for the retail sale of alcoholic beverages and is regularly open to the general public at times when the sports and entertainment arena is closed to the public would not be exempt.

Create an income tax exemption for interest received on bonds or notes issued by the City of Milwaukee to assist a local exposition district.

Specify that sale of and the storage, use, or consumption of tangible personal property and taxable services used to develop and construct the sports and entertainment arena facilities of a local exposition district would be exempt from the state, county, and professional baseball park district sales and use taxes, but not after the DOR Secretary certifies that the development and construction of the district's sports and entertainment arena is completed.

Board of Commissioner of Public Lands (BCPL). Modify BCPL's investment requirements to delete the specific types of fixed income, debt instrument, investments that the Board could invest moneys belonging to the trust funds in and modify various statutory references related to the deletion of the specific investment types. Rather, require the Board to manage and invest moneys belonging to the trust funds in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances, and in accordance with existing statutory requirements for the standard and conduct for management of an institutional fund (BCPL would be allowed to invest in a broader variety of investment types than under current law, such as stocks, as long as those investments are prudent).

Include in the definition of a revenue obligation trust fund loan, a loan that is made to a local exposition district for the purpose of financing the acquisition, construction and equipment

costs for sports and entertainment arena facilities and is secured by district revenues. Authorize the Board to make a revenue obligation trust fund loan using moneys belonging to the trust funds to a local exposition district for these purposes.

Require that an application for a loan by a local exposition district be accompanied by a certified copy of the district board resolution approving the loan. Extend the current law requirement for certificates of indebtedness to a loan for the district and specify that if the district board approves the loan application, the certificate of indebtedness must be signed by the board's chairperson.

Specify that all of the following would apply to all outstanding trust fund loans to local exposition districts:

- a. BCPL would be required to transmit to the district board a certified statement of the amount due on, or before, October 1 of each year, until the loan is paid, and BCPL would have to furnish a copy of each certified statement to DOA;
- b. The local exposition district board would be required to remit to BCPL, on its own order, the full amount due for state trust fund loans within 15 days after March 15; and
- c. Any payment not made by March 30 would be delinquent and subject to a penalty of 1% per month, or fraction thereof, to be paid to BCPL with the delinquent payment.

Changes to Wisconsin Center District Authority

Delete Existing Sunset of Local Exposition Center Taxes. Delete the current law sunset of the WCD's food and beverage taxes and vehicle rental tax, and local room taxes of a sponsoring municipality provided to the local exposition district. WCD's taxes are currently imposed within its jurisdiction, which includes municipalities wholly or partially contained in Milwaukee County. Under current law, these taxes are scheduled to sunset when all bonds issued by WCD during the first 60 months after April 26, 1994, and any bonds issued to fund or refund those bonds, are retired. These taxes are expected to sunset in 2032, when the bonds are currently expected to be paid off. The bill would extend the taxes indefinitely.

State statutes impose a maximum limit on the tax rates on the three taxes that a local exposition district can impose as follows: (a) a 0.25% (0.50% with a majority vote of the board) districtwide sales tax on certain food and beverage sales; (b) a 3% (4% with a majority vote of the board) districtwide sales tax on the rental of passenger cars without drivers; and (c) a basic room tax of up to 3% of total districtwide room charges. In addition, if the sponsoring municipality is a city of the first class, the city may dedicate its existing room tax to the district.

The WCD taxes were first effective on January 1, 1995. The district board increased the basic room tax from 2.0% to 2.5% on January 1, 2011, and the food and beverage tax from 0.25% to 0.5% on July 1, 2010. The following table shows the tax rate and the amount of revenue collected for each of the taxes imposed by the WCD for calendar year 2014. As shown, the City of Milwaukee room tax dedicated to the district equals 7% of total room charges.

Wisconsin Center District Collections

	<u>2014 Tax Rate</u>	<u>2014 Revenues</u>
Basic Room Tax	2.5%	\$5,415,500
City of Milwaukee Room Tax	7.0	11,827,400
Food and Beverage Tax	0.5	9,568,800
Car Rental Tax	3.0	<u>2,487,800</u>
 Total		 \$29,299,500

Existing Exposition District Board Members. Specify that with regard to the exposition district existing on the effective date of the bill, the terms of office of all members of the district's board of directors would expire on the effective date of the bill.

The existing the 15-member board includes the following members: (a) four members appointed by the Governor, one of which is the DOA Secretary, or the Secretary's designee; (b) the Co-chairpersons of the Joint Committee on Finance or their designees; (c) the City of Milwaukee comptroller or chief financial officer; (d) three members appointed by the Milwaukee County Executive, one of which must be the chief executive officer of a municipality that commits five-fourteenths of its room tax revenues to tourism and conventions within the district; (e) two members appointed by the Mayor of Milwaukee; and (f) three members appointed by the president of the governing body of the City of Milwaukee.

DOA Secretary Authority as Chairperson of Interim District Board. Specify that after the expiration of the terms of the existing board members, the DOA Secretary would not need to be reappointed and would be required to continue and become chairperson of the district board on the effective date of the bill. Provide the DOA Secretary the authority to act before all appointed board members are certified, and specify that the DOA secretary would continue to serve as chairperson of the board until he or she certifies that the sports and entertainment arena is complete. Require the DOA Secretary to make this certification as soon as he or she determines, that the sports and entertainment arena is completed, but not later than the first game played in the sports and entertainment arena by the professional basketball team that uses the arena as its home arena.

Require the DOA Secretary, in his or her capacity as chairperson of the board, to negotiate the development agreement, lease, and non-relocation agreement on behalf of the district and allow the Secretary to enter into any such development agreement, lease, or non-relocation agreement without the approval of the board. Specify that any subsequent amendments to, or renewal or extensions of, the development agreement, lease, or non-relocation agreement would require the approval of the district board.

Interim Exposition District Board Membership and Authority. On the effective date of the bill, modify the current composition of the 15-member board as follows: (a) specify that the

DOA Secretary would have to be a member of the district board, rather than the Secretary's designee; and (b) require that two members would be the Speaker of the Assembly and the Majority Leader of the Senate, or their designees, rather than the Co-chairpersons of the Joint Committee on Finance or their designees. Specify that any designee of the Speaker of the Assembly or Majority Leader of the Senate would have to be of the same house of the Legislature as the person making the designation. The Speaker of the Assembly and Majority Leader of the Senate, or their designees, and the City of Milwaukee comptroller would become board members on the effective date of the bill.

Require, not later than 30 days after the effective of the bill, each appointing authority to appoint new members to the board and certify the appointees to DOA. Specify that the terms of these board members would expire or terminate upon the earliest occurrence of one of the following: (a) two years after the member is certified to DOA as a member of the board, as required under current law; (b) the DOA Secretary certifies the sports and entertainment arena construction is complete; or (c) the member's term terminates or expires, as specified under current law.

Exposition District Board After Arena Construction. Specify that upon the DOA Secretary certifying that the sports and entertainment arena construction is complete, the 15-member district board membership would be modified as follows:

a. The DOA Secretary could continue to serve on the board, or may select a designee to serve in his or her place;

b. One member would be the comptroller or chief financial officer of Milwaukee County, rather than an employee or officer of a private sector entity appointed by the County Executive, as allowed under current law;

c. Reduce the number of private members currently appointed by the Milwaukee County Executive from two to one and this appointee would have to continue to be primarily an employee or officer of a private sector entity, that own, operates, or manages an enterprise located in the district, and has significant involvement in the food and beverage industry or the lodging industry (the Executive's other private sector appointment under current law would be replaced by the County comptroller under "b");

d. One member appointed by the Milwaukee County Executive, who is the executive officer, or the officer's designee, of a municipality that meets the current law requirements relating to the contribution of its room tax to an entity that promotes tourism and conventions within the jurisdiction of the exposition district could be either the executive or his or designee (if this condition is not met, as under current law, the County Executive would have to appoint a resident of the district to the board); and

e. The three private sector entity members previously appointed by the Governor would instead be appointed by the Milwaukee County Executive and the current residency and industry requirements that those appointments are subject to would continue to apply.

As a result of the proposed changes to the board, after the arena construction is complete,

the 15-member board would include the following members: (a) the DOA Secretary, or designee; (b) the Speaker of the Assembly and Majority Leader of the Senate, or their designees; (c) the Milwaukee City and County comptroller or chief financial officer; (d) five members appointed by the Milwaukee County Executive; (e) two members appointed by the Mayor of the City of Milwaukee; and (f) three members appointed by the president of the governing body of the City of Milwaukee.

Require that upon the DOA Secretary issuing a certification that the sports and entertainment arena construction is complete, the terms of all board members would expire or terminate and each appointing authority would be required to appoint and certify new members to the board, not later than 30 days after the Secretary issues the certification. Specify that the DOA Secretary, or the Secretary's designee, the Speaker of the Assembly and Senate Majority Leader, or their designees, and the City and County comptrollers would be certified as board members upon the DOA Secretary's certification that arena construction is complete. Within 30 days of the DOA Secretary is certification, require each appointing authority to certify to DOA the names of the persons appointed. Specify that the reconstituted board may not take any action until a majority of the appointments to the board are made and certified.

Terms of Office of District Board After Arena Construction. Specify that the current law terms of office would continue to apply, but, to the extent allowed under current law, the terms of office of the members of the board would be three years, except that for the initial appointments that occur following the DOA Secretary certifying that construction of the arena facility is complete, the terms would be as follows:

- a. Three of the appointments would be for one year;
- b. Three appointments would be for two years;
- c. Three appointments would be for three years;
- d. The City and County comptroller appointments would be for the tenure of their position;
- e. The DOA Secretary, or the Secretary's designee, would be concurrent with the Secretary's term in office; and
- f. The Speaker of the Assembly and Senate Majority Leader, or their designees, would be for the term of office of the Speaker and Majority Leader.

Specify that the length of the initial terms would be jointly determined by the DOA Secretary and the Milwaukee County Executive. Specify that no appointed member would be allowed to serve on the board for more than six years.

Powers of the District Relative to District Facilities. Specify that the current powers of the district in connection with the exposition center facilities would be extended to include a sports and entertainment arena and sports and entertainment arena facilities. Extend the following powers of the district, as modified in certain instances, to the arena or arena facilities:

a. The authority to acquire, construct, and equip the sports and entertainment arena and sports and entertainment arena facilities, or engage other persons to do these things.

b. The authority to acquire property, which would be modified to specify that the district could lease, as lessor or lessee, or use, transfer, or accept transfers of property (this provision would also extend the district's condemnation authority, as allowed under current law, to include a sports and entertainment arena and sports and entertainment arena facilities);

b. The existing authority to enter into contracts, with an increase from \$30,000 to \$100,000 in the size of a contract that would have to be awarded to the lowest qualified and competent bidder, except that any contract with a professional basketball team would not be subject to these competitive bid requirements;

c. The existing authority to grant concessions; and

d. The newly-created authority to sell, or otherwise dispose of, unneeded or unwanted property (this provision would apply to all exposition district facilities).

Modify various statutory references to reflect the modifications to the powers of the district relative to sports and entertainment arena facilities.

Exemption of Transfer Agreements from Certain Powers of the District. Specify that the general powers of the district to employ personnel, fix and regulate their compensation, and provide, either directly or as a participant in a benefit plan of another governmental entity, any employee benefits, including an employee pension, would not apply to a transfer agreement with the Bradley Centers Sports and Entertainment Corporation. Provide that the district's current law authority to participate in a governmental plan of insurance or self-insurance would not apply to any transfer agreement between the district and the Corporation.

District Development and Non-Relocation Agreements. Require a local exposition district to enter into a development agreement with a professional basketball team, or its affiliate, that requires the professional basketball team or affiliate to develop and construct sports and entertainment arena facilities that will be financed in part by the district and leased to the professional basketball team, or its affiliate. Specify that before a district may sign the development agreement, the DOA Secretary would have to certify that the professional basketball team, or its affiliate, has agreed to fund at least \$250,000,000 for the development and construction of the sports and entertainment arena facilities.

Specify that in consideration of the district, the state, the City of Milwaukee, and Milwaukee County promising to commit \$250,000,000 of financial assistance to the development and construction of the sports and entertainment arena facilities and granting a professional basketball team, or its affiliate, the right to operate and manage the sports and entertainment arena facilities, the professional basketball team would be required to enter into a non-relocation agreement with the district at the time the team enters into the development agreement for the construction of the sports and entertainment arena facilities with the district, that contains all of the following provisions and commitments during the term of the lease:

- a. The professional basketball team shall play substantially all of its home games at the sports and entertainment arena, once it is constructed;
- b. The professional basketball team shall maintain its membership in the National Basketball Association, or a successor league;
- c. The professional basketball team shall maintain its headquarters Wisconsin;
- d. The professional basketball team shall maintain in its official team name, the name of the City of Milwaukee;
- e. The professional basketball team shall not relocate to another political subdivision during the term of the lease; and
- f. If the professional basketball team is sold or ownership is transferred to another person, the professional basketball team shall ensure that any person who acquires the professional basketball team, including upon foreclosure, commits to acquire the professional basketball team subject to the team's obligations under the non-relocation agreement; and
- g. During the last five years of the original 30-year lease, and during any five-year extension of the lease, the professional basketball team may negotiate, and enter into agreements, with third parties regarding the professional basketball team playing its home games at a site different from the site to which the lease applies after the conclusion of the lease.

Team Breach of Development Agreement or Non-Relocation Agreement. Specify that if a breach of the development agreement or a breach of the non-relocation agreement occurs, the state, the district, the City of Milwaukee, and Milwaukee County may act collectively to enforce the development agreement or the non-relocation agreement. Allow that if they prevail, they would be entitled to all of the following:

- a. injunctive relief; and
- b. liquidated damages, from the parent company of the professional basketball team, the professional basketball team, or its affiliate, equal to all of the following:
 - (1) An amount equal to the outstanding balance of principal and accrued, unpaid interest remaining on any debt issued or incurred by the district, the state, the City of Milwaukee, and Milwaukee County for the development and construction of the sports and entertainment arena facilities; and
 - (2) If the professional basketball team, or its affiliate, at the time of the breach is also in breach of its obligations under the lease with the district to equip, maintain, operate, and repair the sports and entertainment facilities, liquidated damages from the parent team of the professional basketball team, and the professional basketball team, or its affiliate, would also include an amount equal to the cost of performing these obligations during the term of the lease.

Require any liquidated damages to be apportioned among the district, the state, the City of

Milwaukee, and Milwaukee County in proportion to that entity's financial contribution toward the development and construction of the sports and entertainment facilities.

District Lease Agreement With Team. Specify that the lease between the professional basketball team or its affiliate, and the district would have to contain at least all of the following provisions:

a. The term of the lease shall be for 30 years, plus two extensions of five years each, both extensions at the professional basketball team's or its affiliate's option;

b. Provisions concerning the transfer of the Bradley Center and the land on which it is located, to be conveyed fee title and free and clear of all liens, encumbrances, and obligations except for easements or similar restrictions that do not include a monetary component, from the district to the professional basketball team, or its affiliate, and, following that transfer, the subsequent demolition of the Bradley Center arena structure;

c. If the Bradley Center arena structure is transferred, the professional basketball team, or its affiliate, would be required to pay for all costs related to the demolition of the Bradley Center arena structure;

d. The professional basketball team, or its affiliate, would have to be responsible for equipping, maintaining, operating, and repairing sports and entertainment arena facilities that are constructed pursuant to a development agreement entered into between the district and the team;

e. The professional basketball team, or its affiliate, would be entitled to receive all revenues related to the operation or use of the sports and entertainment arena facilities, including but not limited to ticket revenues, licensing or user fees, sponsorship revenues, revenues generated from events that are held on the plaza that is part of the sports and entertainment arena facilities, revenues from the sale of food, beverages, merchandise, and parking, and revenues from naming rights;

f. Provisions specifying that if the professional basketball team, or its affiliate breaches the non-relocation agreement, the parent company of the team, or its affiliate, would be jointly or severally responsible with the team, or its affiliate, for the costs of equipping, maintaining, operating, and repairing the sports and entertainment arena facilities during the term of the lease; and

g. The lease would have to allow for a separate agreement between the City of Milwaukee and the professional basketball team, or its affiliate, that addresses the development and construction, leasing, operation, maintenance, and repair of a parking structure constructed as part of the sports and entertainment arena facilities and the ownership of, and revenues from, the parking structure.

Specify that if a breach of the lease occurs, the district may enforce the lease.

Bonds of the District. Modify current law related to bonds of a local exposition district as follows:

a. Allow the district to issue bonds for the same costs and purposes related to initially developing and constructing a sports and entertainment arena or sports and entertainment arena facilities that are allowed under current law for an exposition center or exposition center facility;

b. Specify that the maximum amount of bond proceeds that a district may receive from bonds issued to fund the development and construction of sports and entertainment arena facilities is \$203,000,000, plus amounts to pay issuance or administrative expenses, to make deposits to reserve funds, to pay accrued or funded interest, and to pay the costs of credit enhancement;

c. Specify that the state's current moral obligation pledge related to district bonds would not apply to reserve fund shortfalls related to bonds issued by the district to fund the construction of sports and entertainment arena facilities;

d. Specify that the district may retain DOA as a financial consultant to assist in the coordination and issuance of its bonds; and

e. Specify that the proceeds of the bonds, other than refunding bonds, would be used in connection with a sports and entertainment arena or sports and entertainment arena facilities that serve a statewide public purpose.

Responsibility to Sports and Entertainment Arena Facilities. Specify the following relative to the responsibility to sports and entertainment arena facilities:

a. that neither the state, the City of Milwaukee, nor Milwaukee County would be responsible for equipping, maintaining, operating, and repairing sports and entertainment arena facilities; and

b. the district would be responsible only for equipping, maintaining, operating, and repairing sports and entertainment arena facilities during the initial development and construction of those facilities.

Transfer Agreements With the Bradley Center Sports and Entertainment Corporation. Modify the existing authority of an exposition center district to enter into transfer agreements to require the district to enter into a separate type of transfer agreement with the Bradley Center Sports and Entertainment Corporation (Corporation). Specify that the district shall enter into one or more transfer agreements with the Corporation regarding the transfer of the Bradley Center or any part of the center, including land that cannot be immediately transferred following the district's execution of a lease for the sports and entertainment arena facilities. Specify that such transfer would be for nominal financial consideration.

Specify that following execution of a lease between the district and a professional basketball team and forgiveness by the team of any outstanding debt owed to the professional basketball team by the Corporation, the Corporation would have to transfer to the district the land necessary for the location of a sports and entertainment arena that is owned by the Corporation. Require that the transfer would occur pursuant to any transfers agreements and a transfer schedule certified by the DOA Secretary. Provide that the transfer agreement shall

specify that demolition of the Bradley Center must commence not later than 180 days after the center is transferred to the district and that the Bradley Center parking structure may continue to exist and operate.

Specify that within 60 days following the later of the DOA Secretary issuing the certification that construction of a sports and entertainment arena is complete or the expiration of a 180-day written notice delivered by the district to the Corporation of the intended construction completion date, the Corporation would be required to complete the sale, exchange, transfer, or divestiture of any part of the Bradley Center that was not previously transferred.

Modify the current law prohibition that the Corporation could not sell, exchange, or otherwise divest itself of the Bradley Center to allow the Corporation to do so with a local exposition district. Specify that the sale, exchange, transfer, or divestiture of the Bradley Center, or any part of the Center, to a local exposition district would satisfy and terminate any obligation of the Corporation. Except as provided with regard to the transfer of land for the location of a sports and entertainment arena, the Corporation could not act to make this transfer before the DOA Secretary certifies that the construction of the sports and entertainment arena is complete.

Amend various statutory references referring to transfer agreements of a local exposition district to delineate agreements relating to the transfer of the Bradley Center from other transfer agreements.

Milwaukee County Property. Require, as soon as practicable, Milwaukee County to transfer, unencumbered, to the local exposition district, the property known as 929 North Water Street in Milwaukee, which is bounded by the Milwaukee River on the west, East State Street on the north, North Water Street on the east, and East Kilbourn Avenue on the south. Specify that the transfer would take effect upon the adoption of an exposition district board resolution requesting the transfer and a written proclamation of the Milwaukee County Executive supporting the transfer, notwithstanding any policies issued, ordinances enacted, or resolutions adopted by the Milwaukee County Board to the contrary. Allow that the transfer may take place without the approval of the Milwaukee County Board.

Allowable Local Investments. Specify that the governing board of a local exposition district would not be subject to the list of investments in which local governments may invest any of its funds not immediately needed.

Dissolution of an Exposition District. Specify that if the exposition district is dissolved the following would occur:

- a. Property of the district that does not include sports and entertainment facilities would be transferred to the City of Milwaukee (this is current law for this property); and
- b. Property of the district that includes sports and entertainment arena facilities would be transferred to the local units of government that compose the district's jurisdiction in such proportions as the DOA Secretary determines fairly and reasonably represent the contributions of each local unit of government to the development, construction, operation, maintenance, or improvement of the property that contains sports and entertainment arena facilities.

Definitions: Create the following definitions under the local exposition district statutes:

a. "Sports and entertainment arena" would mean the arena structure and the land necessary for its location that is used as the home arena of a professional basketball team and for other sports, recreation, and entertainment activities.

b. "Sports and entertainment arena facilities" would mean the sports and entertainment arena, land and structures, including all fixtures, equipment, and tangible personal property used primarily to support the operation of the sports and entertainment arena or are functionally related to the sports and entertainment arena, located within nine acres of contiguous land and with boundaries determined by the district board. Specify that such facilities include the land, and may include offices of the professional basketball team, or its affiliate, parking spaces and garages, storage or loading facilities, access ways, sidewalks, skywalks, plazas, transportation facilities, and sports team stores. Provide that in addition to the nine acres of contiguous land and the structures located on the land, these facilities would also include land adjacent to the sports and entertainment arena and a parking structure, owned by the municipality, that is to be constructed on the land by a professional basketball team, or its affiliate, in conjunction with the construction of the arena.

c. "Professional basketball team" would mean a team that is a member of a league of professional basketball teams that have home arenas approved by the league in at least 10 states and a collective average attendance for all league members of at least 10,000 persons per game over the five years immediately preceding the year in which a district is created.

d. "Transfer agreement" would be modified to include a contract between a district and the Bradley Center Sports and Entertainment Corporation that provides the terms and conditions upon which the ownership of the Bradley Center, or any part of the Center, including real property, is transferred from the Bradley Center Sports and Entertainment Corporation to the district.

Local Exposition District -- Legislative Findings. Specify that the Legislature finds and determines that the provision of assistance by state agencies, in conjunction with local units of government, to a local exposition district and any expenditure of funds to assist a district serve a statewide public purpose by assisting the development and construction of sports and entertainment arena facilities in the state for providing recreation, by encouraging economic development and tourism, by reducing unemployment, by preserving business activities within the state, and by bringing needed capital into the state for the benefit and welfare of people throughout the state.

Specify that the Legislature also finds and determines that a district serves a public purpose in the district's jurisdiction to the local units of government in which it is located by providing recreation, by encouraging economic development and tourism, by reducing unemployment, by preserving business activities within the district's jurisdiction, and by bringing needed capital into the district's jurisdiction for the benefit and welfare of the people in the district's jurisdiction.

Bradley Center Sports and Entertainment Corporation Dissolution. Modify the requirement that the Corporation may not dissolve and wind up its affairs, unless the Legislature enacts a law ordering dissolution, by deleting the reference to the Legislature's action and, instead, specifying that the Corporation may not dissolve or wind up its affairs except in connection with the sale, exchange, transfer, or divestment of the Bradley Center upon the DOA Secretary certifying that the construction of the sports and entertainment arena of a local exposition center is complete.

Delete obsolete provisions related to the Corporation. Specify that upon dissolution, the Corporation, after making adequate provision for discharging its debts, liabilities, and obligations, would be required to transfer all remaining assets to the state (current law) or to a local exposition center district (new provision).

General Provisions

Sale of a Motor Vehicle. Specify that after December 31, 2015, no individual may sell a motor vehicle, including transferring a junk vehicle by bill of sale, unless, within 30 days of the sale, the individual reports to the Department of Transportation (DOT) the identification number of the vehicle and the identity of the buyer. Require DOT to accept electronically the required information related to the sale of the motor vehicle. This requirement would be in addition to existing provisions related to transferring the certificate of title, which must be done by the new owner promptly upon delivery of the vehicle.

Nonmoving Violations in a First Class City. Allow a first class city to enact an ordinance establishing the period within which a person charged with a nonmoving violation would have to pay the forfeiture or appear in court. Specify that the ordinance shall require that a citation issued for a nonmoving violation must include the date on which the court may act under current law procedures relating to default of appearance unless the person has paid the forfeiture or appeared in court prior to that date. Modify current law provisions relating to the court appearance dates for nonmoving violations and the procedures on default of appearance to allow for these newly-created provisions for the City of Milwaukee.

Statute of Limitations for Nonmoving Violations. Establish a separate, four-year statute of limitations for actions to recover a forfeiture or penalty for a nonmoving violation imposed by any bylaw, ordinance or regulation of any town, county, city, or village. Currently, a general, two-year statute of limitations applies to such actions. For authorities participating in DOT's traffic violation and registration program, this limitation period is suspended for four years from the date that DOT is notified that a person has failed to appear in court for a nonmoving violation. Repeal the latter provision, so that the new, four-year statute of limitations would apply to all nonmoving violation actions.

Regulation of the Stopping, Standing, or Parking of Vehicles. Specify that a local authority with respect to highways under its jurisdiction, including state trunk highways or connecting highways within corporate limits, could enact an ordinance making the owner of the vehicle involved in a violation for stopping, standing, or parking a vehicle jointly liable for the violation.

Registration of Impounded or Towed Vehicles. Provide the governing body of any town, city, village, or county the authority to enact an ordinance requiring that no vehicle that has been impounded or towed may be released unless the motor vehicle is registered, as required by the state, or is exempt from such registration.

Parking Citations as Presumptive Evidence. Specify that a finder of fact would be required to receive a uniform traffic citation for a nonmoving violation as presumptive evidence of facts stated in the citation.

Modification to Sheriff Sales of Mortgaged Premises Under Judgement. Repeal the current law provisions relating to the notice and report of sales of mortgaged premises under judgement and the execution and effect of mortgage deeds. Replace these current law provisions with the following structure for such sales:

a. Require the sheriff, or referee, who will hold the sale of the mortgaged premises under a judgment of foreclosure to give notice of the time and place of sale in the manner provided by law for the sale of real estate upon execution or in such other manner as direction in the court's judgment.

b. Specify that if the Department of Veterans Affairs (DVA) is a party in the foreclosure action, the sheriff, or referee, would also have to give notice of the sale by registered mail, with a return receipt requested, to DVA, at least three weeks prior to the date of sale.

c. Require, upon the sale of the mortgaged premises and upon compliance with its terms, the sheriff, or referee, to make and execute to the purchaser, the purchaser's assigns, or personal representatives a deed of the premises sold that includes each parcel of land sold to the purchaser and the purchase price.

d. Require that no later than 10 days after the sale of mortgaged premises, the sheriff, or referee, must do all of the following:

(1) file a report of the sale with the clerk of courts.

(2) deliver to the clerk of courts the deed to the mortgaged premises and, after deducting the costs and expenses of the sale, unless the court orders otherwise, the proceeds of the sale ordered by the court

e. specify that the sheriff, or referee, may not accept less than \$100 as a deposit or down payment from the purchaser at a sale of mortgaged premises, unless "h" applies.

f. require sheriff, or referee, to deliver the amount of deposit or down payment with the clerk of courts and the purchaser to pay the balance of the sale price to the clerk of courts upon confirmation of the sale.

g. require, if the highest bid is less than \$100, the sheriff, or referee, to deposit the entire amount to the clerk of courts.

h. specify that if the judgment creditor is the purchaser at the sale of the mortgaged premises, the judgment creditor could give the judgment creditor's receipt to the sheriff, or referee, for any sum not exceeding the judgment creditor's judgment and the judgment creditor's receipt would be considered a down payment.

i. specify that if the judgment creditor is the purchaser and the judgment amount is less than the purchase price, the judgment creditor would have to pay the difference to the sheriff, or referee, at the time of sale.

j. require, regardless of who purchases the mortgaged property, the purchaser to pay the cost of sale.

k. Specify that before a court may confirm a sale of the mortgaged premises, all of the following would have to occur:

(1) before, or at, the confirmation of sale and within 10 days of the sale, the purchaser must provide to the judgment creditor any information required to complete the state real estate transfer return and, if applicable, any information required for a certificate, waiver, or stipulation needed under state rental unit energy efficiency requirements.

(2) before, or at, the confirmation of sale, the purchaser must pay to the court all of the following: (a) any balance of the purchase price; (b) the amount of the state real estate transfer fee; (c) the amount of the fee to record the deed and any other document required for the register of deeds to record the deed, including any certificate, waiver, or stipulation needed under state rental unit energy efficiency requirements.

(3) before, or at, the confirmation of sale, the judgment creditor would have to provide to the court the receipt for submitting a state real estate transfer return and any certificate, waiver, or stipulation needed under state rental unit energy efficiency requirements.

l. Specify that, upon the court confirming the sale, the clerk of courts would be required to transmit the deed received, the receipt for submitting the state real estate transfer return, any certificate, waiver, or stipulation needed under state rental unit energy efficiency requirements, the amount due under the register of deeds to record the deed and any other document required to record the deed, and the transfer fee, if any, to the register of deeds for recording.

m. Specify that upon confirmation of the sale, the deed executed by a sheriff, or referee, would be required to vest in the purchaser, the purchaser's assigns, or personal representatives all the right, title, and interest of the mortgagor, the mortgagor's heirs, personal representatives, and assigns in and to the premises sold and would be a bar to all claim, right of equity of redemption therein, of and against the parties to such action, their heirs, and personal representatives, and against all persons claiming under them subsequent to the filing of the notice of the pendency of the action in which such judgment was rendered.

n. Require that the purchaser, the purchaser's heirs, or assigns would have to be let into the possession of the premises so sold on production of such deed or a duly certified copy

thereof, and the court may, if necessary, issue a writ of assistance to deliver such possession.

o. Specify that if any of the requirements under "k" relating to confirmation of sale are not satisfied and the purchaser is not the judgment creditor, the court must order the purchaser to forfeit the amount of the purchaser's deposit or down payment and that amount would have to be paid to the parties entitled to the proceeds of the sale, as ordered by the court, require the court to also order that the mortgaged premises be resold, and require the clerk of courts to destroy the deed executed to the defaulting purchaser and specify that it would be of no effect.

p. Specify that if any of the requirements under "k" relating to confirmation of a sale are not satisfied and the purchaser is the judgment creditor, the court may order the purchaser to forfeit the greater of the purchaser's deposit or \$500, and may order the purchaser to comply with sale confirmation requirements so that the mortgaged property may be sold to the purchaser.

q. Specify that if the court does not confirm the sale of the mortgaged premises for a reason other than a failure to satisfy any requirement under "k" relating to the confirmation of a sale, the clerk of courts would have to return the deposit or down payment to the purchaser, order the mortgaged premises to be resold, and destroy the deed received, which would be of no effect.

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