

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
OCTOBER 15, 2009**

MINUTES

The Redevelopment Authority of the City of Milwaukee held a regular meeting at 1:30 p.m. in the 1st Floor Board Room, 809 North Broadway, Milwaukee, Wisconsin.

MEMBERS PRESENT: Commissioner Bob Rondini, Chair
 Commissioner Lois A. Smith, Vice Chair
 Commissioner Kathryn M. West
 Commissioner Ken Johnson
 Commissioner Alderman Willie Wade
 Commissioner Bill Schwartz

MEMBERS EXCUSED: Commissioner Nancy Hernandez

ALSO IN ATTENDANCE: David P. Misky, Assistant Executive Director-Secretary

After the Pledge of Allegiance and Roll Call, The Chair asked for a motion to adopt the Minutes of the August 20, 2009 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported that, for the proposed Tax Incremental Financing District amendment hearing scheduled today, Class 2 Notices were published in The Daily Reporter on October 1, 2009 and October 8, 2009. For the hearing on applying, accepting, and funding of brownfield grant applications, an official notice was published in The Daily Reporter on October 2, 2009.

Item 1, Public Hearing

Resolution approving Amendment to Tax Incremental District No. 56 (Erie Street/Jefferson Street Riverwalk).
(4th Aldermanic District)

Jim Scherer of Economic Development described the process of using increment from a productive TID to pay down lesser-performing TIDs. This resolution would allow the City to use TID No. 56 to pay down TID Nos. 35 (N. 27th St. and W. Wisconsin Ave.) and 69 (New Ave. Commerce Center).

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10133.

Item 2, Public Hearing

Resolution relative to application, acceptance, and funding of brownfield grant applications to the United States Environmental Protection Agency for assessment and remediation of various Brownfields throughout the City of Milwaukee. **(City-Wide)**

Tory Kress of Real Estate staff shared the success of the Authority receiving these EPA grants in past years with over \$12.0 million in grant funds being awarded to the Authority since 2001 to cleanup, assess and provide loans for various brownfield sites. Real Estate will be applying for \$400,000 for assessment for different locations and for three \$200,000 cleanup grants that would be applied for site specific properties, including 1027 N. Edison Street, 30th & North, and 21st & Garfield.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10134.

Item 3, Public Hearing

Resolution Approving a Term Sheet for Acquisition of Land in the Menomonee Valley Industrial Center and Authorizing Execution of an Expansion, Development and Closeout Agreement (PALERMOS Expansion Project). **(8th Aldermanic District)**

Clifton Crump of Real Estate introduced the needs of Palermos to expand their current operations of pizza manufacturing in the Menomonee Valley Industrial Center. The Redevelopment Authority sold the Fallucca family the first parcel of land in the center in 2005 with their building opening in September 2006. The initial build-out was for 135,000 square-feet with Palermos exceeding the job/square feet ratio (with 180 employees) and the site coverage ratio (33%). Angelo, Giacomo, and Lori Fallucca then presented the company's history, their recent growth, and their need for expansion. The company now employees over 400 people and the 5-year growth plan nearly doubles the size of their current operations. Approval of the resolution allows Palermos to exercise the option on 3.5 acres to the south of their facility and begin expansion immediately.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10135.

Item 4, Public Hearing

Resolution giving preliminary approval to the issuance of revenue bonds on behalf of Community Advocates, Inc. to finance acquisition and redevelopment of an office building property located at 728 North James Lovell Street and adjacent parking lot. **(4th Aldermanic District)**

Jim Scherer of Economic Development described the project where Community Advocates will acquire the property from a private owner and transfer their operations to this location. The subject parcel has been historically used for office but has been vacant for several years. Pending approval, the Redevelopment Authority will issue revenue bonds, not to exceed \$5,000,000, to assist in acquiring and redeveloping the property. The organization will be entering into a "Payment In Lieu Of Taxes" agreement with the City of Milwaukee.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10136.

Item 5, Regular Business

Resolution Authorizing Amendments to \$1,700,000 Redevelopment Authority of the City of Milwaukee, Wisconsin Redevelopment Revenue Bonds, Series 2007 (Wisconsin Community Services, Inc. Project) Issued on December 14, 2007. **(15th Aldermanic District)**

Jim Scherer of Economic Development provided background for this project (3716-3724 W. Wisconsin Avenue) where the Redevelopment Authority issued bonds in December 2007. The Redevelopment Authority has been asked to amend specific language of the bond agreement including how the interest rate of the current bonds is determined.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10137.

Item 6, Regular Business

Resolution authorizing the issuance and sale of development revenue bonds for improvement and redevelopment of property at 716 East Clybourn Street and matters related thereto. **(4th Aldermanic District)**

Jim Scherer of Economic Development stated this resolution is a follow up to 2 other resolutions the Redevelopment Authority has approved including conditional approval (April 2009) and blight designation (August 2009). US Bank has demolished the existing parking structure and is currently building a new structure at this address. The total of the bond issuance is not to exceed \$21,500,000.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10138.

Item 7, Regular Business

Initial Resolution relative to issuance of Redevelopment Authority Refunding Bonds for The Young Men's Christian Association of Metropolitan Milwaukee, Inc. **(15th Aldermanic District)**

Tracy Lubber of Economic Development provided the background for the Redevelopment Authority's Refunding Bonds for the YMCA located at 1350 W. North Avenue. The Redevelopment Authority had issued bonds for this project on a couple of different occasions (2003 and 2008) and this action would allow for the organization to aggregate the refunding bonds but not exceed a total of \$21,000,000.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10139.

Item 8, Regular Business

Resolution relative to application, acceptance, and funding of a State of Wisconsin Department of Natural Resources Brownfield Site Assessment Grant for assessment and demolition of various Brownfields throughout the City of Milwaukee. **(City-Wide)**

Karen Dettmer of Real Estate shared the success of the Authority receiving these WDNR grants in past years with over \$2.6 million in grant funds being awarded to the Authority since 1999 to assess various brownfield sites around the city. Real Estate will be applying for over \$200,000 for assessment and demolition particularly with the former AO Smith/Tower Automotive site.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10140.

Item 9, Regular Business

Resolution relative to the acceptance and funding of a U.S. Department of Commerce Economic Development Administration Grant. **(1st, 4th, 7th, and 15th Aldermanic Districts)**

Kein Burton of Real Estate stated the Redevelopment Authority has been awarded a \$150,000 grant from the US Department of Commerce Economic Development Administration for planning in the 30th Street Industrial Corridor. The award is for long-range economic development planning with a \$50,000 match from newly-created TID-74. This grant is part of the financial commitment the department has made for the TIF district.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10141.

Item 10, Regular Business

Resolution authorizing a Certificate of Completion to HSI Industrial I, LLC and its successors and assigns for its development of the Derse, Inc. Project at 3800 W. Canal Street. **(8th Aldermanic District)**

Assistant Executive Director Dave Misky provided the background for this item stating the developer, HSI Industrial, LLC, completed the 150,000 square-foot building for Derse, Inc. Each of the development agreements in the Menomonee Valley Industrial Center have established a "Certificate of Completion" requirement. This committee will be hearing from several of the other completed development projects in the business park. None of the agreements had deposits associated with them so there is no financial impacts to the Redevelopment Authority.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10142.

Item 11, Administrative

Resolution authorizing an Intergovernmental Cooperation Agreement with the Milwaukee Metropolitan Sewerage District to provide acquisition and relocation services. **(12th and 14th Aldermanic Districts)**

Bunkie Miller of Real Estate explained MMSD's need for acquisition and relocation services along the Kinnickinnic River. MMSD is currently estimating that 84 properties will be acquired in the next few years to remove the buildings from the floodplain. RACM Real Estate worked with MMSD on an "Intergovernmental Cooperation Agreement (ICA)" where RACM would provide the acquisition and relocation services for \$495,000. This will result in a revenue source for RACM and significant savings for MMSD. In addition, Ms. Miller stated that RACM is also working on the foreclosure initiative which could play a role in finding alternative locations for displaced residents.

Alex Runner of Common Council President Hines' Office stated Mr. Hines was opposed to the MMSD Kinnickinnic River initiative due to the loss of tax base of the 84 properties. Alderman Baumann stated he understood the initiative but believed an alternative to the acquisition of 84 properties was more appropriate, specifically, installation of a tunnel under W. Cleveland Avenue. Steve Jacquart and Dave Fowler of MMSD were allowed to respond to each Alderman's concerns. Wisconsin Department of Natural Resources, safety, and cost are the drivers for the initiative.

Commissioner Alderman Willie Wade asked how the District will be handling "upside mortgages" to which the MMSD representatives stated the MMSD Commission will have to make a policy decision on such cases. Commissioner Johnson asked for clarification on the resolution. The resolution is for authorizing the ICA not for choosing the alternative. The District will be hearing the alternative next week. Provided the District approves the initiative and the ICA, RACM would be contracted by MMSD for the acquisition and relocation services.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays (Commissioner Rondini was excused prior to adoption). Adopted resolution is No. 10143.

Item 12, Administrative

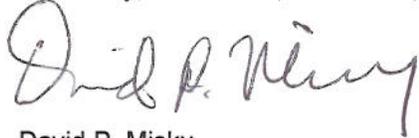
Resolution approving an update to the investment policy for the Redevelopment Authority.

Budget Director Joe Mar Hooper presented an update for the Redevelopment Authority's investment policy. Assets have been spread over a number of investment vehicles, primarily Certificates of Deposits, thereby preserving the Authority's capital but making some of the investments liquid for more immediate needs. The investments are also fully insured at each financial institution. Board members will continue to receive periodic updates of the financials throughout the year.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10144.

ADJOURNMENT

There being no further business to come before the Authority, a motion was made by Commissioner Rondini to schedule the next regular meeting for **November 19, 2009**, at 1:30 P.M., 1st Floor Board Room, 809 North Broadway, Milwaukee, Wisconsin, and, to adjourn. The motion carried without objection.



David P. Misky
Assistant Executive Director-Secretary

NOTE: A verbatim transcript of the public hearing is incorporated and made a part hereof by reference as if fully set forth herein. A copy is available upon request.