

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
MARCH 18, 2010**

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 Lois A. Smith, Chair
 Commissioner Bill Schwartz, Vice Chair
 Commissioner Kathryn M. West
 Commissioner Alderman Willie C. Wade
 Commissioner Robert B. Rondini
 Commissioner Nancy Hernandez

MEMBERS EXCUSED: Commissioner Ken Munson

ALSO IN ATTENDANCE: Rocky Marcoux, Executive Director-Secretary
 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 February 18, 2010 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported that for the public hearing on an amendment to Tax Incremental District 70, an official notice was published in the Daily Reporter on March 4th and March 11th. As required by Statute, written notification was sent to the taxing jurisdictions prior to publication of the hearing notice

For the two hearings concern property dispositions. Property sales required Class II publications and these notices were published in the Daily Reporter on March 4th and March 11th.

For the public hearing on a lease with an option to purchase, an official notice was published in the Daily Reporter on March 4th and March 11th.

Item 1, Public Hearing

Resolution approving Amendment No. 1 to the Project Plan for Tax Incremental Financing District No. 70 (735 North Water Street). (4th Aldermanic District; submitted by Economic Development)

Jim Scherer of Economic Development described the project at 731 and 735 N. Water Street. TID 70 was created to provide financing for exterior repairs to 735 N. Water Street and renovate the riverwalk. This amendment would provide \$3,053,992 of financing (\$1.5 million to be financed by the developer) for renovations to both buildings, roof and façade repairs, skywalk connections, and upgrades to the electrical and mechanical systems.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays with Commissioner West abstaining. Adopted resolution is No. 10182.

Item 2, Public Hearing

Resolution authorizing an Option to Purchase with Mitchell Street Market Lofts, LLC for the properties at 1902-28 West Mitchell Street and 1664-74 South Muskego Avenue for mixed-use development. (12th Aldermanic District; submitted by Real Estate)

Matt Haessly of Real Estate introduced the project to the Board describing the RFP process. DCD has been working with the development team, comprised of several ACRE students, Bob Lemke, and Todd Hutchison on site design and the pro forma. The item was held over at last month's meeting per the local Alderman's request to give the development team more time to meet with neighborhood organizations about the project. The mixed-use development would be a tax credit project. Iris Christian spoke on behalf of the Mitchell Street Farmer's Market Coalition and Leana Nakielski spoke on behalf of Growing Power. Both groups would like to continue with their presence at this site. Commissioner Schwartz suggested inserting language that the sale to Mitchell Street Market Lofts be contingent upon the developers reaching an agreement with Growing Power (or a like entity) to ensure the farmers market can continue at this location.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10183.

Item 3, Public Hearing

Resolution authorizing a LOI and Lease (including Option to Purchase) with Talgo, Inc. for a part of 3533 N. 27th St. and a part of 3424 N. 27th St. for assembly and maintenance of high-speed trainsets. (7th Aldermanic District; submitted by Commissioner's Office)

Executive Director Rocky Marcoux provided the background for this resolution. The Century City Project Plan approved by the Common Council and the Authority directed RACM to redevelop the site for industrial use to expand job opportunities in the 30th Street Industrial Corridor. After negotiations between M-7, the State of Wisconsin, and the City, Talgo, Inc. ("Talgo) an entity that assembles and produces high-speed trainsets, selected a portion of the Century City site as the location to assemble their trainsets. Talgo and the Authority entered into a Letter of Intent calling for the Authority to remediate and build-out the property, and for the Authority and Talgo to enter into a lease for approximately 17 acres of the Century City property. The Talgo operations will provide 125 jobs and improve the area through elimination of blight. The lease of ~\$350,000 per year is for 4 years with two 5 year options. The company also has the option to purchase the property. Ferran Canals of Talgo described the process his company went through before deciding on the Century City site and Building 36.

Commissioner Hernandez moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10184.

Item 4, Public Hearing

Resolution approving an Option to Purchase for a property in the Menomonee Valley Industrial Center with Ingeteam, Inc. for development of an office and manufacturing facility for Ingeteam, Inc. in the former Milwaukee Road Shops Redevelopment Project Area. (8th Aldermanic District; submitted by Commissioner's Office)

Executive Director Rocky Marcoux introduced the project to the Board. Ingeteam Corporacion S.A., headquartered in Bilbao, Spain, specializes in electrical engineering and the development of technology for the energy, industrial, marine, and railway markets. After months of negotiations, and through a joint effort with M-7 and the State of Wisconsin, the company would like to construct it's first facility in the United States. Ingeteam, Inc., its U.S. subsidiary, proposes to construct a 114,000 s.f. facility in the Menomonee Valley Industrial Center to manufacture wind turbines generators and solar power inverters for residential and commercial installations. The company has offered to

purchase approximately 8.1-acre portion of the site, lying North and West of Canal Street and South of Milwaukee Road for development of a manufacturing facility with offices. Aitor Sotes of Ingeteam introduced himself and the company and stated how they arrived in the City of Milwaukee and the MVIC, and how this will lead to 275 jobs by 2015.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10185.

Item 5, Regular Business

Resolution approving loan to Ingeteam Inc. for project in Menomonee Valley Industrial Center (Tax Increment District No. 53). (8th Aldermanic District; submitted by Economic Development)

Jim Scherer of Economic Development provided background for TID 53 which was approved in 2003. The approved Project Plan for Tax Increment District No. 53 was created for the purposes of funding the development of the Menomonee Valley Industrial Center ("MVIC") business park, including the provision for loans to projects locating in the MVIC. As described in the previous item, Ingeteam, Inc. proposes to construct a manufacturing facility in the MVIC. Ingeteam currently has 12% of the worldwide market for wind power components. As allowed by the Project Plan for TID No. 53, RACM intends to fund a \$2,000,000 forgivable loan to Ingeteam Inc. for the purpose of financing a portion of the construction and equipment costs. The Ingeteam Project is estimated to cost \$17 million and generate 275 jobs over a period of five years. The Loan Agreement details a forgiveness based on achieving full-time employment per the annual schedule.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10186.

Item 6, Regular Business

Initial resolution relative to the issuance of Redevelopment Authority Revenue Bonds (Compass Properties, LLC Project). (4th Aldermanic District; submitted by Economic Development)

Jim Scherer of Economic Development described the overall changes to the project in Item #1 of this meeting. The developer has requested that the Authority issue revenue bonds to assist them in financing the project which is estimated to cost approximately \$13,000,000. The project includes upgrading the mechanical and electrical systems, renovations to both buildings, roof and façade repairs, and a skywalk connection.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays with Commissioner West abstaining. Adopted resolution is No. 10187.

Item 7, Regular Business

Resolution approving Grant Agreement with the City of Milwaukee for Tax Incremental District No. 71 (Mitchell Street/551 W. Mitchell St. Project). (12th Aldermanic District; submitted by Economic Development)

Jim Scherer of Economic Development introduced the grant agreement for TID No. 71. The District consists of 281 properties located near W. Mitchell Street between S. 5th Street and S. 16th Street, plus a commercial area south of W. Forest Home Ave. between S. 13th Street and S. 15th Street. The funding provided by the Project Plan for the District totals \$3,118,000 for the purposes of infrastructure, along with funds for grants or loans to assist with catalytic private development opportunities. One of the projects proposed in the District, and recommended for assistance by the Mitchell St. Business Improvement District, is the renovation of restaurant space at 551 W. Mitchell St., for Paesano's Pizza. Renovations for this property are estimated to cost \$135,000, of which the City and RACM will provide \$39,000 from the TID.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10188.

Item 8, Regular Business

Resolution approving the revised building and site plans for Lisbon Terrace, LLC for housing development on the properties at 2704-2732 West Lisbon. (15th Aldermanic District; submitted by Real Estate)

Yves LaPierre of Real Estate described the Board's previous action in 2008 whereby the Redevelopment Authority approved an Option to Purchase with Lisbon Terrace, LLC to develop affordable housing on the properties. The developer has had to redesign its development to reduce building costs to account for the tax-credit market and the environmental condition of the property and requests approval to develop a three-story, 24-unit, apartment building with a modified site plan. Department staff has reviewed the amended plans and finds the revised development appropriate.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10189.

Item 9, Regular Business

Resolution authorizing an amendment to a contract with Marek Landscaping, LLC for landscape maintenance activities required for the Menomonee Valley Industrial Center and Community Park ("Site"). (8th Aldermanic District; submitted by Real Estate)

Dave Misky, manager of the Menomonee Valley Industrial Center, described the work that was needed to create the stormwater treatment area in the MVIC. Marek Landscaping was awarded a contract in 2007 to manage the landscaping in the stormwater park and we have amended the contract each year since to keep the native vegetation healthy. The Redevelopment Authority is working on creating an association with the business owners to have them contribute funding and provide oversight for the future landscape management. This was agreed to at each land sale. The association is expected to be set up later this year.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10190.

Item 10, Regular Business

Resolution consenting to the conveyance of the property at 4601 West North Avenue to the ground lease tenant prior to project completion. (15th Aldermanic District; submitted by Real Estate)

Elaine Miller, Real Estate Manager, described the reason for this conveyance. The Redevelopment Authority conveyed property in 2002 to Lisbon/Community Development, LLC, for development of a Wendy's restaurant on a ground lease at the east portion of the site and a retail building on the west portion of the site. The conveyance of the property required construction of the project according to plans approved by the Authority. In general, the development has been completed, but several items remained to be finished in order for the project to conform to plans approved by the Authority. The Authority has notified the Redeveloper of the outstanding issues and the actions necessary to comply with the Agreement for Sale and obtain a Certificate of Completion. At this time, the ground lease tenant, JB Properties, LP, intends to purchase the land at 4601 West North Avenue but requires consent of the Authority because the project has not been completed in compliance with the approved plans.

Commissioner Hernandez moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays with Commissioner Wade abstaining. Adopted resolution is No. 10191.

ADJOURNMENT

There being no further business to come before the Authority, a motion was made by Commissioner West to schedule the next regular meeting for **April 15, 2010**, 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.