

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
AUGUST 16, 2012**

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 Alderman Willie C. Wade
Commissioner Robert B. Rondini
Commissioner Jose Galvan
Commissioner Frances Hardrick

MEMBERS EXCUSED: Commissioner Lois A. Smith, Chair
Commissioner Bill Schwartz, Vice Chair
Commissioner Kathryn M. West

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 July 19, 2012 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported the following for today's public hearings:

For the two public hearings regarding amendments to Project Plans, the required Class II notice was published in the Daily Reporter on August 2nd and August 9th. As required by Statute, written notification was sent to the taxing jurisdictions prior to publication of this hearing notice.

For the public hearing on environmental cleanup, the required notice was published in the Daily Reporter on July 16th. The owner of the property waived its statutory right to receive the hearing notice by Certified Mail 20 days prior to the hearings.

For the public hearing on an acquisition status change and property donation, notice was sent by Certified Mail to the property owner 10 days prior to the hearing.

Item 1, Public Hearing

Resolution approving First Amendment to Project Plan for Tax Incremental Financing District No. 18 (New Covenant Housing Project). (15th Aldermanic District; submitted by Economic Development)

Jim Scherer of Economic Development described Tax Incremental District 18 (New Covenant Housing Project) where 72 units of low-income housing tax credit units were constructed. The district is within 1 year of recovering project costs and, by Common Council ordinance, the department is instructed to adopt amendments for paving projects in and adjacent to a district. This project is \$50,000 for paving N. 37th Street. Once complete, the TID will be closed out 1 year later.

Commissioner Wade moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10366.

Item 2, Public Hearing

Resolution approving First Amendment to Project Plan for Tax Incremental Financing District No. 30 (Westtown Village / Library Hill Project). (4th Aldermanic District; submitted by Economic Development)

Jim Scherer of Economic Development described Tax Incremental District 30 (Westtown Village/Library Hill Project). Same as the previous item, the district is within 1 year of recovering project costs. The department is requesting an amendment for paving N. 8th Street within the district at a cost of \$100,000. Commissioner Wade asked if other streets in the district were considered. Mr. Scherer stated that DPW only recommended N. 8th Street.

Commissioner Wade moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10367.

Item 3, Public Hearing

Resolution authorizing up to a \$1,000,000 loan from the EPA Brownfield Revolving Loan Fund to Park East Two, LLC to be used on properties at 406 E. Ogden Ave., 415 E. Lyon St., 1425 N. Jefferson St., Milwaukee, Wisconsin. (3rd Aldermanic District; submitted by Economic Development)

Tracy Luber, fund manager for the Redevelopment Authority's Revolving Loan fund, described the project and the need for the \$1 million environmental loan. The project has a \$1.8 million environmental cleanup cost and is an eligible candidate for the loan fund. Phase 1 of the \$22 million project includes 86 units and 14,600 square feet of retail. Phase 2 is \$14 million and adds 95 more apartments. The loan fund requires Davis-Bacon wages. Peter Hanrahan of SEIU Local 1 spoke in opposition of the loan based on a campaign to educate building owners and managers on using union cleaning staff. Wangard Partners recently eliminated the 11 or 12 union janitorial employees at the 875 E. Wisconsin building for a private company. Ms. Bessie Hervey was one of those employees and she also spoke in opposition to this loan. Stewart Wangard, CEO of Wangard Partners, stated the reason for the change in janitorial services was based on performance. The new contract with Purity Clean requires at or above union wages with health benefits and educational training. He said that the majority of their developments use union firms and/or prevailing wages. Dave Sommerscales of SEIU questioned the need for a loan since Wangard has over \$90 million of assets in Milwaukee. He believes the company only saved \$70,000 on the switch of janitorial services at 875 E. Wisconsin. John-David Morgan of Wisconsin Jobs Now described the "Do Not Acquire" list of 143 properties that need brownfield funds and this property is not 1 of them. Ms. Luber responded by saying the money is a loan and not a grant, and the property meets a definition of a brownfield by EPA standards for the loan program. Commissioner Wade asked about the loan. Mr. Wangard stated the bank financing was capped at a certain amount and does not anticipate the extraordinary costs for environmental remediation. In addition, he would be willing to provide the board with the current cleaning contract to document the at or above union wages with benefits. Commissioner Galvan wanted to know when the company decided to pursue another bid for the cleaning work. Mr. Wangard stated that his firm worked with the cleaning staff for ~1 year, audited them to industry standards, and provided them with 2 additional warnings. Commissioner Rondini asked about the labor goals for the new project and past projects. Wayne Wiertzema of Wangard stated the entire project is based on prevailing wage with specific requirements for EBE and RPP (Milwaukee County requirements). Mr. Wiertzema mentioned the success of meeting high numbers in both areas on projects where they do not have requirements (1910 N. Water - 25% EBE) and on projects where they meet or exceed human resource requirements. After additional consideration, Alderman Wade made a motion to hold the item at the discretion of the chair.

Commissioner Wade made a motion to hold the item and it carried by a vote of 3 ayes - 1 nay with Commissioner Rondini in opposition.

Item 4, Public Hearing

Resolution changing the acquisition status of the property at 2322 North 7th Street and authorizing a Donation Agreement with BAC Home Loans Servicing, LLP. (6th Aldermanic District; submitted by Neighborhood Business Development Team)

Deshea Agee of the Neighborhood Business Development Team introduced the concept of a property donation from Bank of America. The residence has been vacant for more than 2 years and the donation process has taken 17 months. This property is important for additional land assemblage and a parking plan for the commercial buildings along North Avenue. Commissioner Wade asked about the demolition of the house. Elaine Miller, Real Estate Manager, described the donation where NIDC may take a property and renovate it for sale or the property is demolished. Bank of America is working on demolishing this building before the donation but the City has identified other funds in case the bank is not able to commit. Commissioner Rondini asked about tenants in the Inner City Arts Building. Currently, Senator Lena Taylor is the only tenant in the building with an office.

Commissioner Wade moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10368.

Item 5, Regular Business

Resolution authorizing settlement agreement between RACM and LWD PRP Group for the LWD Incinerator Site. (submitted by Environmental Team)

Karen Dettmer of Environmental provided background on an incinerator in Kentucky where the Redevelopment Authority sent soil to the facility in 1992. The facility was shut down in 2003 and the USEPA identified 49 high-volume contributors. This group is called the LWD PRP Group and has spent \$9.3 million in cleaning up the site and expect to spend an additional \$15 million. Commissioner Hardrick asked if this \$3,000 is our only commitment. Ms. Dettmer stated that this resolution authorizes a settlement for \$3,000 and will indemnify the Redevelopment Authority from any future action by the LWD PRP Group. The Redevelopment Authority will not be part of a claim for cost recovery.

Commissioner Wade moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10369.

Item 6, Administration

Resolution to approve and authorize entering into a contract for financial feasibility services. (All Aldermanic Districts; submitted by Economic Development)

Scott Stange, Procurement Office for the Redevelopment Authority, described the need for a contractor to perform financial feasibility studies for the department. An RFP was recently sent out with 6 proposers bidding for the work. The 5 reviewers (3 from outside City government) recommended awarding the 3-year contract to SB Friedman which currently has the contract. The new contract will be a not-to-exceed amount of \$250,000. Commissioner Galvan asked about the current workload under this contract. Mr. Stange reported that there have been 5 projects totaling \$264,000 over the past 3 years. Further, this is the 3rd contract we have had with SB Friedman for these services.

Commissioner Wade moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10370.

ADJOURNMENT

There being no further business to come before the Authority, a motion was made by Commissioner Galvan to schedule the next regular meeting for September 20, 2012, at 1:30 P.M., 1st Floor Board Room, 809 North Broadway, Milwaukee, Wisconsin, and, to adjourn. The motion carried without objection.

A handwritten signature in black ink, appearing to read "D. Misky". The signature is written in a cursive style with a large initial "D" and "M".

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.