

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
JUNE 13, 2013**

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 Bill Schwartz, Chair
 Commissioner Lois A. Smith, Vice Chair
 Commissioner Robert B. Rondini
 Commissioner Jose Galvan
 Commissioner Frances Hardrick

MEMBERS EXCUSED: Commissioner Kathryn M. West
 Commissioner Alderman Willie C. Wade

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 May 16, 2013 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported the following:

For today's three public hearings on Project Plan Amendments, the required Class II notices were published in the Daily Reporter on May 30th and June 6th. As required by Statute, written notification was sent to the taxing jurisdictions prior to publication of these hearing notices.

For the public hearing on property disposition, the required Class II notice was published in the Daily Reporter on May 30th and June 6th.

For the public hearing on brownfield grant application for assessment and cleanup, the required notice was published in the Daily Reporter on May 14th and May 30th.

Item 1, Public Hearing

Resolution amending Project Plan for the Time Warner Tax Incremental Financing District (TID No. 41). (6th Aldermanic District; submitted by Economic Development)

Jim Scherer of Economic Development stated that this amendment would add \$1.7 million to the TID for infrastructure improvements including extending Galena Street and N. 2nd Street through the business park. This amendment is driven by a prospective tenant who would occupy 77,000 square feet and add 150 new positions. The current financial situation for the TID is sound where there has been 7 years and \$21 million of payback to date. There are 14 years remaining on the district. Gary Grunau, developer of the business park, spoke about the need for this increment to create space for another 1,000 employees to take the total to over 5,000 people employed in the business park.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10425.

Item 2, Public Hearing

Resolution amending Project Plan for the Erie/Jefferson St. Tax Incremental Financing District (TID No. 56). (4th Aldermanic District; submitted by Economic Development)

Alyssa Remington of Economic Development introduced the item and the need to amend the TID to acquire a railroad property in the district (\$53,000) and for an engineering study of the pier and swing bridge (\$75,000). The engineering study is needed to determine the structural integrity of both structures and determine the scope of the redevelopment project. TID 56 currently has a \$5 million surplus which will also be used as a donor TID for TID 58 (\$3.7 million donation), TID 65 (\$922,000), and TID 66 (\$1.93 million). Chair Schwartz asked if long-term maintenance costs are considered. Jim Scherer of the Authority responded that operating costs are not an eligible expense for TIDs. Commissioner Smith asked if the rent-to-own homes in TID 66 have lowered rents due to the recession. Elaine Miller of Real Estate responded that Gorman has not lowered rents since the project was completed.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10426.

Item 3, Public Hearing

Resolution approving Second Amendment to Project Plan for Tax Incremental Financing District No. 42 (Capitol Court/Midtown). (2nd Aldermanic District; submitted by Neighborhood Business Dev.)

Deshea Agee of the Neighborhood Team restated the need for amending TID 42. The item was heard by the Authority a few months ago but the Common Council requested that any roadwork within 1/2 mile be included so it is back for this hearing. There are 6 streets within 1/2 mile for a total cost of \$1.5 million. The amendment will also assist the City and the developers in reusing the former Lowe's building and others in the district. Mr. Agee stated that \$3.5 million would be used for the development fund (as already approved) and \$1.5 million would be for the roads. Fond du Lac Avenue will not be part of the road paving costs since it is a federal highway and will be paid with federal money. Chair Schwartz asked if all the roadwork was part of the City's schedule with Mr. Agee responding affirmatively. Commissioner Galvan asked whether the road projects will follow DPW's regular specifications and guidelines. Mr. Agee stated the process will be the same.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10427.

Item 4, Public Hearing

Resolution authorizing the conveyance of the vacant lots at 3104 and 3120 North Dr. Martin Luther King, Jr. Drive to the City of Milwaukee for assemblage with the adjacent City-owned property. (6th Aldermanic District; submitted by Real Estate)

Elaine Miller of Real Estate introduced the item whereby the Authority will move the parcels to the City. This will allow for common ownership under the City with adjacent parcels to create a larger footprint for marketing purposes.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10428.

Item 5, Public Hearing

Resolution authorizing the preferred remedial cleanup action option at the Esser Paint site where an EPA Brownfields Cleanup Grant will be utilized for remediation. (15th Aldermanic District; submitted by Environmental Team)

Tory Kress of the Environmental Team provided a brief background of the site as a paint company. The property was vacated in 1999 with the Authority taking ownership in the late 2000s. Since then we have demolished the buildings and removed the tanks. The \$200,000 grant funds that are part of this resolution are to excavate some additional soil, cap portions of the site, and use natural attenuation. The Authority plans to open up the site to development interests later this fall. Chair Schwartz asked if this site also included any unique remediation like across the street at the former Buckley Laundry site. Ms. Kress said the site was not conducive for that remediation method. He also asked about the structural integrity of the site. Ms. Kress said some developers prefer to do their own work but our discussions with developers this fall may require us to collect that information.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10429.

Item 6, Regular Business

Resolution approving the exercise of an option to purchase the Cathedral Square Parking Structure by Monroe Building, LP and authorizing the execution of documentation necessary for closing on the conveyance, including a Purchase Price Adjustment Agreement. (4th Aldermanic District; submitted by Economic Development)

Jim Scherer of Economic Development stated this project originated in 2000 whereby the City teamed with Van Buren Management to construct an office/residential/parking structure. The Authority funded the construction of the parking structure and owns the 940 stalls. The developer has an option to purchase and would like to exercise the option. Two appraisals have been received with two differing values. A third appraisal is needed and is currently being contracted. The developer would like to close now with a possible price adjustment based on the 3rd appraisal. The closing price to date is \$8,583,930 which is the minimum established. Chair Schwartz asked about the proceeds of the sale. Mr. Scherer stated the proceeds would retire the indebtedness of the bonds with the balance coming to the Authority. Due to the appraisals, the balance has not yet been determined. Chair Schwartz asked if we could have discussions with the 3rd appraisal to ensure our appraisal is reflected in the 3rd appraisal. Mr. Scherer said those discussions will occur for both parties to discuss with the 3rd appraisal.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10430.

Item 7, Regular Business

Resolution authorizing entry into letter agreement regarding 1150 North Water Street. (4th Aldermanic District; submitted by City Attorney's Office)

Gregg Hagopian of the City Attorney's Office provided the background to the project. The prospective buyer has a contract to buy the property by July 6th. The new buyer will transfer the property to the Milwaukee School of Engineering. The building will be redeveloped into student housing with no financing. The Authority's agreement with MSOE has a timetable for completing the buildout. The letter agreement includes a payment to the Authority of \$100,000 to release our reversionary rights. The first floor will remain taxable as commercial space but the other floors will be tax exempt. Commissioner Galvan asked what happen if Qdoba leaves. Mr. Hagopian stated that the 1st floor will always be subjected to property taxes even if they leave. Commissioner Smith asked about new students. Dr. Veits of MSOE said the school is experiencing growth and this building is needed. In addition, the soccer field will be opening at the end of August.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10431.

Commissioner Rondini was excused from the meeting.

Item 8, Regular Business

Resolution relative to entering into an Intergovernmental Agreement with the Wisconsin Department of Natural Resources (WDNR) and Grant Agreement with Telos, Inc. to facilitate the environmental cleanup of the property at 1003 and 1033 West Atkinson Avenue. (6th Aldermanic District; submitted by Environmental Team)

Karen Dettmer of the Environmental Team described the project. The School Sisters of Notre Dame developed the Section 108 housing complex in 1981. Through HUD financing there was a required environmental assessment that identified a historic use as a manufacturing facility. The cost to cleanup the environmental problem is \$400,000 to \$750,000. The owner has no funding available so the State of Wisconsin has identified two sources. That would provide \$550,000 of grant funds. One of the grants must be given to the Authority which will administer the funds to the project. As such, an intergovernmental grant agreement between the State and the Authority is required.

Commissioner Galvan asked about the cost being greater than \$550,000. Ms. Dettmer stated this is a concern but the Authority has no risk of cost overruns. Commissioner Hardrick asked about the residents. Ms. Dettmer said the owner and residents are aware of the problem and there is a treatment system already on site. This work would involve some excavation and groundwater treatment but would not force anyone to leave the residence. Commissioner Galvan asked about the ventilation system to which Ms. Dettmer said the system is active and that continued monitoring will be needed. Commissioner Smith asked about the Authority's liability. Ms. Dettmer stated the Authority is simply a conduit for funding.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10432.

Item 9, Regular Business

Resolution authorizing the application, acceptance, and funding of a grant for sustainability and environmental improvement plans for the Menomonee Valley Comprehensive Area Plan Update from the Fund for Lake Michigan. (4th, 8th & 12th Aldermanic Districts; submitted by Planning)

Bob Harris of the Planning staff introduced the item. The last Valley plan was completed in 1998. The funding of the new plan requires fund-raising to pay for the work including the possible Fund for Lake Michigan grant that would allow us to incorporate more sustainable elements to the plan. The grant request is for \$25,000.

Commissioner Hardrick moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10433.

Item 10, Regular Business

Resolution authorizing entry into the naming agreement for the Three Bridges Park at the Menomonee Valley Airline Yards. (8th Aldermanic District; submitted by City Attorney's Office)

Gregg Hagopian of the City Attorney's Office reminded the Authority Board of the new park in the Menomonee Valley. To name the park the Authority was involved in a naming competition that resulted in 777 names. Three Bridges Park was chosen with the name approved at the Citizens Advisory Committee on Naming. The name needs to be approved by the Authority and the Common Council. The Park Naming Agreement is based on the Master Agreement that was approved 1.5 years ago by the Authority.

Commissioner Galvan asked who submitted the winning name. Ms. Laura Bray of the Menomonee Valley Partners stated that no one person submitted the name but there were numerous references to bridges through wayfinding and nature. The opening of Three Bridges Park is July 20th. Chair Schwartz asked about the Programming Agreement to which Attorney Hagopian stated it is going through the finer details right now.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10434.

Commissioner Galvan was excused from the meeting.

Item 11, Presentation

Century City Overview (7th Aldermanic District; submitted by 30th Street Corridor)

Kein Burton, Project Coordinator for the 30th Street Corridor, provided a status update for Century City.

ADJOURNMENT

There being no further business to come before the Authority, a motion was made by Commissioner Smith to schedule the next regular meeting for **July 11, 2013**, 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.