

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
NOVEMBER 21, 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 Kathryn M. West
 Commissioner Alderman Willie C. Wade
 Commissioner Jose Galvan
 Commissioner Frances Hardrick

MEMBERS EXCUSED: Commissioner Robert B. Rondini

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 October 17, 2013 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported the following for today's three public hearings: For the public hearing authorizing replacement of a lease, the required Class II notice was published in the Daily Reporter on November 7th and November 14th. For the public hearing on blight designation and acquisition of property, the required Class II notice was published in the Daily Reporter on November 7th and November 14th and 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 authorizing entry into a workout agreement and acquisition of property, the required Class II notice was published in the Daily Reporter on November 7th and November 14th.

Item 1, Public Hearing

Resolution authorizing replacement of a lease for the western portion of 401-441 West Wisconsin Avenue with ABM Parking Services, Inc. (4th Aldermanic District; submitted by Economic Development)

Dan Casanova of Economic Development provided an overview of the surface lot. This resolution is to replace the existing lease for the following reasons: 1) ABM is the new owner after purchasing Systems Parking several years ago; 2) The lease will now be using the standard Authority lease documents; 3) There will be more flexibility with use of the lot for other events that have been brought before the Board; 4) The lot has been reconfigured with new striping that has created new parking spaces; and 5) the new rent reflects the current market rent for surface parking downtown. The lease payments will be approximately \$12,000 per year and rise 2% every year after. Chair Schwartz asked about the eastern half of the block. Mr. Casanova stated that the surface lot is leased by Central Parking and was part of a lawsuit settlement but that we are currently looking to renegotiate the lease.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10450.

Item 2, Public Hearing

Resolution approving the blight designation and acquisition of the property at 845 North 25th and authorizing transfer of the property from Ogden Homes, LLC to the Redevelopment Authority of the City of Milwaukee. (4th Aldermanic District; submitted by Commissioner's Office)

Maria Prioletta of the Commissioner's Office stated this is part of a larger project where the City was able to utilize Neighborhood Stabilization Program money to address foreclosure issues. Ogden Homes acquired three properties from Waterstone Bank. Ogden has rehabbed two of the apartment buildings and has agreed to donate the property to the City for demolition. The subject property is a nuisance property with a considerable amount of criminal activity. Commissioner West asked about the vacant Authority lots. Ms. Prioletta responded that the concept is to combine the donated property with 2 adjacent Authority-owned properties to develop as a quality affordable rental property. The idea is to de-densify the area with smaller apartment buildings. Chair Schwartz asked about Ogden to which Mr. Prioletta stated Ogden was very supportive of this approach to gain control of the nuisance through demolition. Commissioner Smith asked about the interim plan. Ms. Prioletta said the interim plan is for minimal landscaping and wait for the housing market to fully recover before moving a development forward.

Commissioner Hardrick moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10451.

Item 3, Public Hearing

Resolution authorizing entry into Josey Heights workout agreement and acquisition of the unsold Josey Heights lots including the model home located at 1322 West Lloyd Street by the Redevelopment Authority of the City of Milwaukee. (15th Aldermanic District; submitted by Commissioner's Office)

Maria Prioletta of the Commissioner's Office provided the background for the item. The City created TID-44 to stimulate in-fill development in the Lindsay Heights neighborhood. In 2005 the TID was amended to develop a former MPS playfield into the Josey Heights subdivision. In 2006 the property was transferred to the Authority to implement a green infrastructure plan and approve a development agreement with a development team. The development team's relationship dissolved in 2011 and this resolution authorizes the site to be returned to the Authority for \$225,000 to compensate the parties for a portion of their investment. This price is arrived at through an appraisal that includes \$5,000 per vacant lot and \$150,000 for the model home. The acquisition will be paid through TID-44.

Chair Schwartz asked about the site conditions. Ms. Prioletta stated the site has all the infrastructure in place and the model home would be put up for sale; however, the market demand is still weak but improving. Chair Schwartz asked about any lien rights for the bank to which Ms. Prioletta stated this acquisition would be free and clear of any lien rights and that any debt the developers owe to their lending institution will be paid through refinancing of other investment properties. Commissioner Smith asked about a homeowners association. Ms. Prioletta responded that the two current homeowners have minor fees for the association and that the TID will cover the other fees until lots are sold. Commissioner Galvan asked if there could be individual lot sales and about single-family housing. Ms. Prioletta stated the subdivision is already platted but the department is looking at providing more flexibility for development including relaxing some of the restrictive covenants. The department prefers single-family housing for entire development. Commissioner Wade asked about detached garages and the fact that requiring detached garages may be limiting the number of interested buyers. The department is looking at possible changes to the initial requirements to ensure we have a competitive advantage.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10452.

Item 4, Regular Business

Amended and Restated Resolution relating to issuance of redevelopment revenue bonds with respect to the Towne Club at The Brewery Project. (4th Aldermanic District; submitted by Economic Development)

Jim Scherer of Economic Development reminded the Board of the initial resolution this past January for Building 25. This resolution restates the bond issuance and makes changes to the borrower being a "for-profit" entity, that 20% of the units will be for low-income, and the bonding authority increases to \$46 million. The increase in borrowing capacity is driven by an increase in costs for redeveloping the interior of the building. Commissioner West asked about the borrower to which Mr. Scherer stated it is the same investment group just a new LLC.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 5 ayes - 1 nays with Commissioner Hardrick in opposition. Adopted resolution is No. 10453.

Item 5, Regular Business

Resolution authorizing execution of a Satisfaction for the property at 1818 N. Dr. Martin Luther King, Jr. Drive. (6th Aldermanic District; submitted by City Attorney's Office)

Gregg Hagopian from the City Attorney's Office provided the history of the item whereby the Authority sold the property to TJD Company in 1994. The property has been sold a couple of times since with a new buyer asking the seller and the Authority to release any and all encumbrances. The Authority has reversionary rights on the property from the 1994 sale that the new buyer is asking be released. Since we have no record of whether the buyer in 1994 completed all required action items to satisfy the development agreement, staff is recommending the retaining of the \$1,000 deposit and recording a satisfaction document on the deed. Commissioner Wade asked about the parking lot situation. Mr. Hagopian was unsure if the adjacent parking lot was part of the acquisition. Commissioner Hardrick questioned the fact that the property has changed hands multiple times since 1994 and this reversionary right has not come up. Mr. Hagopian stated this could be a title insurance issue or buyers/financial institutions ignoring the clause. To which, Commissioner West suggested that the Authority look into this clause further and exercise our rights when needed.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10454.

Item 6, Closed Session

Upon motion duly made and carried, the Board convened in closed session pursuant to Section 19.85(1)(g) Wis. Stats, to confer with legal counsel who will be rendering advice concerning the strategy, including possible settlement, with respect to litigation. (submitted by City Attorney's Office)

The Authority entered into closed session for a discussion with Attorney Kathryn Block before reconvening in open session.

Item 7, Presentation

Bay View Wetlands (at the former Grand Trunk site) Update. (14th Aldermanic District; submitted by Planning)

Mike Maierle provided the Authority Board a status update for the Bay View Wetlands project.

ADJOURNMENT

There being no further business to come before the Authority, a motion was made by Commissioner Smith to schedule the next regular and annual meeting for **December 19, 2013, at 1:30 P.M.** at the Global Water Center, 247 West Freshwater Way, 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.