

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
MAY 21, 2015**

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 Robert B. Rondini
Commissioner Jose Galvan
Commissioner Frances Hardrick

MEMBERS EXCUSED: Commissioner Alderman Willie C. Wade

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

After the Pledge of Allegiance and Roll Call, the Chair asked for a motion to adopt the Minutes of the April 16, 2015 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported that for today's five public hearings regarding approval of Project Plan amendments and proposed TID boundary, the required Class II notices were published in the Daily Reporter on May 7th and May 14th. Where required by Statute, written notification was sent to the taxing jurisdictions prior to publication of the hearing notices. Also, for today's public hearing regarding property disposition, the required Class II notice was published in the Daily Reporter on May 7th and May 14th.

Item 1, Public Hearing

Resolution approving a First Amendment to the Project Plan for Tax Incremental Financing District No. 78 (Northwestern Mutual Life Insurance Company). (4th Aldermanic District; submitted by Economic Development)

Executive Director Marcoux introduced the amendment that includes a boundary change to consolidate two tax keys for Northwestern Mutual and a grant for covering half of the costs of due diligence on a potential corporate site created following the lakefront gateway project. Specifically, the grant would be for Johnson Controls, Inc. to investigate the possibility of constructing a new corporate tower. The terms of the grant include the company sharing all reports and studies from the site with the City. In case the company does not pursue moving forward, the City will have the information for another corporate user and the DOT will have the information for locating the new ramp.

Chair Schwartz asked whether the engineering firm had been selected to which ED Marcoux responded that JCI would be hiring the firm and it would include human resource goals. The work is to be completed in the next 4 to 6 months. ED Marcoux stated the City's portion of the project is funded by this TID and this grant is within the current boundary of the TID and is part of the administrative line item. ED Marcoux added there would not be any restitution to JCI required if they did not move forward. There are currently no other possible end users showing interest but the site is likely buildable due

to the ramps on the site for the past 50 years. This amendment will not extend the life of 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. 10548.

Item 2, Public Hearing

Resolution approving the first amendment to the Project Plan for Tax Incremental Financing District No. 20 (Florida Yards). (12th Aldermanic District; submitted by Economic Development)

Lori Lutzka of the Economic Development group stated that TID-20 was created in 1993 for 15 acres of site assembly, infrastructure, and environmental work. The district currently has Marchese and Usingers within the boundary and is ready to close out. As directed by a Common Council ordinance, staff reviewed the capital plan for road reconstruction within 0.5 miles of the TID and identified one street that is scheduled for repaving. Using last year's increment, the City will pave S. 5th Street between Scott and Virginia. The increment of \$450,000 will cover about 65% of the overall costs of the paving project.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10549.

Item 3, Public Hearing

Resolution approving a Second Amendment to the Project Plan for Tax Incremental Financing District No. 27 (Clarke Square). (8th & 12th Aldermanic Districts; submitted by Economic Development)

Alyssa Remington of the Economic Development group described the original TID created in 1995. The district was used to develop an 8-acre site between Pierce and National, and 17th and 20th. The TID was amended in 2010 for a project at 1538 W. National where the TID contributed \$400,000 to develop a retail establishment. This amendment would provide \$90,000 for repaving S. 23rd Street and \$150,000 for repaving S. 25th Street, both within 0.5 miles of the TID boundary. The TID is scheduled to be closed out in 2017.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10550.

Item 4, Public Hearing

Resolution approving the second amendment to the Project Plan for Tax Incremental Financing District No. 79 (North Water Street Riverwalk). (3rd Aldermanic District; submitted by Economic Development)

Alyssa Remington of the Economic Development group reminded the Board that the creation of this TID in 2013 was for providing riverwalk and dockwall assistance for two sites along Water Street. The first project is currently on hold; however, this amendment is to assist the developer of the former Gallun Tannery site with riverwalk and dockwall expenses. The development is for 450 market rate apartment units in 4 buildings. Based on the City's approved contribution, the TID would provide \$3,920,000 of funds for this work (\$2.15MM for Phase I and \$1.77MM for Phase II).

Commissioner Hardrick moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10551.

Item 5, Public Hearing

Resolution approving the boundaries and Project Plan for the Broadway and Michigan Tax Incremental Financing District. (4th Aldermanic District; submitted by Economic Development)

Dan Casanova of the Economic Development group introduced the creation of this TID for the East Side Historic District. The 2010 downtown plan identified streetscaping,

connections under I794, and enhancing the historic building features. The proposed TID includes 7 properties with Phase I assisting the restoration of the Mackie Building, Phase II the Button Block Building, and Phase III a new building on a surface parking lot.

The Mackie Building is currently an office/retail building that is 51% vacant; however, the proposed redevelopment would include 25 apartments, retain the first floor retail and Grain Exchange room, and complete restoration of the façade and clock tower. The \$12MM investment would be supplemented with this developer-financed TID that contributes \$900k and terminates in 15 years. The building currently has a \$3MM tax base and would require a façade easement.

Developer Josh Jeffers further described the project answering questions on the size of the apartments, the potential noise issues with renters and the Grain Exchange, the financial structure, and the possible future development.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10552.

Item 6, Public Hearing

Resolution approving the Land Disposition Report for the sale of vacant lots to adjoining owners for green space. (City Wide; submitted by Real Estate)

Yves LaPierre of Real Estate described the resolution where the City/RACM currently have over 3,000 vacant lots in their portfolio that were obtained through tax foreclosure. This resolution would allow staff to sell 87 of the RACM-owned lots that are unbuildable and are suitable for adjacent property owners to purchase. This would stop additional City expenses (~\$400/lot/year) and put the properties back on the tax roll.

According to Mr. LaPierre, if approved, each sale of the RACM-owned unbuildable properties would be presented to the Alderperson for final approval. We are not actively marketing the properties but have potential buyers for 9 of the 87. Commissioner West asked if the properties are sellable or will the buyers have to do some landscaping to which Mr. LaPierre stated they are all in very good condition and are sellable. Commissioner Hardrick asked if these lots, once sold, would be used for greenspace to which Mr. LaPierre responded that yes they would be for greenspace and would follow all other city codes for fencing, patios, etc.. The Board suggested a map would be useful to see where the 87 lots are located. Staff will generate such a map and email to the Board in the next week or two.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10553.

Commissioner Rondini was excused from the meeting.

Item 7, Regular Business

Resolution authorizing execution of a bill of sale and permanent public access easement for a portion of the Ivory Tusk riverwalk, and approving Amendment No. 1 to a Loan Agreement between the Redevelopment Authority of the City of Milwaukee and Ivory Retail/Office Operating Company, LLC. (4th Aldermanic District; submitted by Economic Development)

Dan Casanova of the Economic Development group presented this resolution. This building owned by Irgens has a 27% vacancy rate with ASQ as the primary tenant. There is a need for \$2MM of repairs and the developer is asking for some relief on the remaining \$2.4MM loan that would free up some cash flow to make the repairs. The City would defer principal payments for several years but interest would still be accruing at 2% with a bump up to 6.5% in 2020 when principal payments would resume. The \$2MM of investment would be put into the exterior including parking, courtyard, façade, and riverwalk. Tom Irgens, representing the owner, stated the vacancy was due to PKWare

and Zizzo leaving for the Third and Fifth Wards, respectively, in the past year. There is currently 35,000 sf of vacancy in the building. The riverwalk is currently owned and maintained by the City of Milwaukee. This agreement requires the owner to maintain the riverwalk in the same fashion as all others along the river with a permanent public easement.

Commissioner West moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10554.

Item 8, Regular Business

Resolution authorizing the issuance and sale of revenue bonds and matters related thereto for Milwaukee Public Schools. (City Wide; submitted by City Attorney's Office)

Assistant City Attorney Tom Gartner reminded the Board of the previous bond resolution that allowed the Authority to act on the City's behalf as a conduit. Commissioner West asked about the Authority's cap on bonds to which Attorney Gartner stated that is not an issue as the conduit.

Commissioner West moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10555.

Item 9, Regular Business

Resolution approving a Cooperation Agreement with the City of Milwaukee acting by and through its Board of Harbor Commissioners. (12th & 14th Aldermanic Districts; submitted by City Attorney's Office)

Assistant City Attorney Tom Gartner stated the Board of Harbor Commission is in need of purchasing a crane for Port activities. This resolution is a Cooperation Agreement between the City and the Authority for RACM to assist in purchasing the crane. This will likely involve the issuance of bonds but the Authority would benefit with a 0.25% fee.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10556.

Item 10, Regular Business

Resolution authorizing a License Agreement with Creative Alliance Milwaukee, Inc. for the property at 401-41 West Wisconsin Avenue for special events. (4th Aldermanic District; submitted by Economic Development)

Dan Casanova of the Economic Development group provided an overview of the use of the parking lot at 4th and Wisconsin with night markets, Indyfest, and a Brewers telecast. Creative Alliance recently received a \$100k grant from Southwest Airlines to activate the space and is requesting use of the lot for programming activities. Maggie Jacobus, representing Creating Alliance, presented some ideas with the Board including working with the downtown BID and DCD. The ideas are still being formulated with the concepts to come back to the Board in the near future.

Commissioner Galvan moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10557.

Item 11, Regular Business

Resolution authorizing License Agreements with Clever Sauce Creative, LLC for the property at 401-41 West Wisconsin Avenue for special events. (4th Aldermanic District; submitted by Economic Development)

This item was taken along with Item 10. Clever Sauce Creative will be hosting 4 Night Markets this summer but with programming activities on Wisconsin Avenue between 4th and 6th and using the lot for staging.

Commissioner Galvan moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10558.

Commissioner West was excused from the meeting.

Item 12, Regular Business

Resolution amending a commitment under a Memorandum of Understanding with the County of Milwaukee and Harbor District, Inc., a Wisconsin non-stock corporation. (12th & 14th Aldermanic Districts; submitted by Real Estate)

Assistant Executive Director Dave Misky reintroduced the item which had been heard in March 2015. This resolution amends the first one in the match portion of the grant now being \$126,000 rather than the approved \$120,000. All other facets of the Authority's commitment to Milwaukee County and the grant remain the same.

Commissioner Hardrick moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10559.

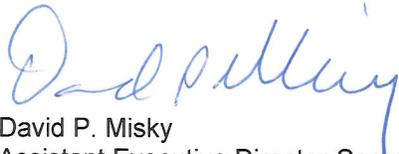
Item 13, Presentation

Valley Plan 2.0 (submitted by Planning)

Bob Harris of the Planning group presented the Valley Plan 2.0.

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 **June 18, 2015**, 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.