

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
JUNE 16, 2016**

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 Kathryn West, Vice Chair
Commissioner Jose Galvan
Commissioner Frances Hardrick

MEMBERS EXCUSED: Commissioner Robert B. Rondini
Commissioner Bill Schwartz

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 May 19, 2016 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported that for today's six public hearings regarding approval of Project Plan boundaries and Project Plan amendments, the required Class II notices were published in the Daily Reporter on June 2nd and June 9th and Class 1 notices were published on June 2nd. As required by Statute, letters were mailed to property owners and written notification was sent to the taxing jurisdictions prior to publication of these hearings. For the public hearing regarding an EPA Brownfield Revolving Loan, the required Class 11 notice was published on May 19th and June 2nd and the notice for the EPA Brownfield Cleanup Grant was published on June 2nd.

Item 1, Public Hearing

Resolution approving a Fourth Amendment to the Project Plan for Tax Incremental Financing District No. 48 (Park East). (3rd Aldermanic District; submitted by Economic Development)

Alyssa Remington of Economic Development provided an update on the riverwalk system and the 2006 riverwalk funding policy. The City has expended \$36MM on the riverwalk of the \$52MM total expended on 6.2 miles. There is ~0.75 miles currently under construction and ~1 mile left to complete. This item is Wangard's Laacke & Joys Project including 114k sf of office and 390 linear feet of riverwalk. The total City contribution for the riverwalk, dockwall, and other infrastructure for this project is \$1.529MM. The proposed amendment also includes an additional contribution to the 4th phase of the North End project. The amendment would contribute \$435k for infrastructure for a total contribution of \$7.83MM for all phases. The original cost estimates for all phases was from 2005. The TID should close out in year 24 without including these two projects.

Chair Smith asked about the feasibility study for the TID to which Ms. Remington stated the district has exceeded our expectations. Commissioner Galvan asked if the riverwalk will be standard (i.e. no bump out) which was confirmed.

Burton Metz of Wangard spoke about their project. Bader Rutter will occupy more than half of the office space and the developer is working with other possible tenants on the rest.

Citizen Marty Wall asked about the \$250k training funds set aside for the arena. Vice Chair West also expressed interest in how these funds would be used. Ms. Lori Lutzka of DCD explained the funds have not been expended but that DOA is working on a plan that will be shared with the Board when drafted.

Commissioner Galvan moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10621.

Item 2, Public Hearing

Resolution authorizing up to a \$1,000,000 loan from the EPA Brownfield Revolving Loan Fund to Cherry Water, LLC, SW Platteville, LLC, Hepatica Hill Holdings, Ltd., and Cherry Water Street Corp. to be used on the property at 1433-1475 N. Water St., Milwaukee, Wisconsin. (3rd Aldermanic District; submitted by Environmental Team)

Tory Kress of the Environmental Team provided an overview of the Brownfield Revolving Loan Fund where the Authority has provided 13 loans since 2003 that has created or retained 3,500 jobs and \$377MM of private investment. The developer of the former Laacke & Joys would like to borrow \$1MM for remediation of the site at 3.25% interest rate, 24-months of interest payments, and a balloon payment at 24 months. Wayne Wiertzma of Wangard stated this loan was an important part of the financing package.

Commissioner Galvan asked about the Green Infrastructure (GI) proposed for the project to which Mr. Wiertzma described the geothermal system, photovoltaic on the roof, and the adaptive reuse of the building. Commissioner Galvan requested an update of all GI projects in the City.

Commissioner Hardrick moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10622.

Item 3, Public Hearing

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

Dan Casanova of Economic Development provided a background of the streetcar project including the 2.1-mile initial route. This resolution and the following two resolutions involve \$20MM of match funds for a \$20MM grant application for extending the streetcar from the Intermodal to the new Arena. The Bronzeville and Walker's Point Neighborhoods would be the next extension. This resolution would create the boundaries for a TID that includes 2 properties and generate \$8MM of increment to be paid off in year 18.

Vice Chair West asked about the TIGER grant application. Mr. Casanova stated there is \$500MM of funds available each year and a community can apply each year.

Commissioner Galvan asked about splitting the route at 4th and Wisconsin to which Mr. Casanova explained the need to avoid utilities. He also stated the parking deck on the block could be part of a larger development. Commissioner Galvan then asked about SBE and RPP rules to which Mr. Casanova stated it follows federal procurement rules. RACM Executive Director Marcoux reiterated the commitment of Mayor Barrett to the streetcar and to extend the system into the neighborhoods.

Citizen Marty Wall reminded the Board of the blight designation requirement and the increment produced from TIDs should be added to other taxing jurisdictions. He also stated the route does not reach people of color. ED Marcoux responded the extension will increase opportunity for more development in the neighborhoods.

Deshea Agee of the MLK BID, Matt Dorner of the Downtown BID, Stacie Callies of the Westown BID, and Nicole Behnke of NEWaukee all spoke in favor of the streetcar extension.

Commissioner Galvan moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10623.

Item 4, Public Hearing

Resolution approving a Second Amendment to the Project Plan for Tax Incremental Financing District No. 39 (City Center Hilton). (4th Aldermanic District; submitted by Economic Development)

Dan Casanova of the Authority described the request for the amendment. The TID was created in 2000 and the \$4MM amendment would extended the life of the TID 6 years to 2023. If the City is not successful in receiving the TIGER grant, the amendment could be used for planning the future extensions.

Commissioner West moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10624.

Item 5, Public Hearing

Resolution approving a Third Amendment to the Project Plan for Tax Incremental Financing District No. 41 (Time Warner). (6th Aldermanic District; submitted by Economic Development)

Dan Casanova of the Authority described the request for the amendment. The TID was created in 2000 and the \$8MM amendment would be used for match of the TIGER application. The amendment would extend the life of the TID 3 years to 2023.

Commissioner Hardrick moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10625.

Item 6, Public Hearing

Resolution authorizing additional funding for the Northwestern Mutual Tax Incremental Financing District. (4th Aldermanic District; submitted by Economic Development)

Dan Casanova described TID 78 and the new \$450MM office building. The DOT has contributed \$16MM and the City \$18MM to the new lake interchange work. The \$6MM funding increase request is due to a number of reasons including (1) original estimates based on conceptual plans, (2) higher bids than estimated, (3) reconstruction of roads rather than resurfacing, (4) utility costs not known in 2012, and (5) environmental contamination not included in 2012. The TID would be paid back in year 20.

Vice Chair West asked about Johnson Controls and the proposed building. ED Marcoux stated the merger with Tyco has slowed the process down but discussions are still occurring and we should know something soon. Chair Smith asked about the due diligence funds to which ED Marcoux said monies have been expended by the company but they have not requested any of the funds set aside by the City yet.

Commissioner West moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10626.

Item 7, Public Hearing

Resolution authorizing the preferred remedial cleanup action option at 400 S. Layton Boulevard where an EPA Brownfields Cleanup Grant will be utilized for remediation. (8th Aldermanic District; submitted by Environmental Team)

Mat Reimer of the Environmental Team reminded the Board of the riverbank restoration project showing photos before and during restoration. This resolution is for a new \$200k grant from the USEPA that requires an "Analysis of Brownfield Cleanup Alternatives

(ABCA)." The preferred method is excavation and capping. The entire \$1.4MM project, paid by grants, should be completed in September 2016 including the bike path connection.

Commissioner Galvan moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10627.

Item 8, Public Hearing

Resolution approving a Second Amendment to the Project Plan for Tax Incremental Financing District No. 68 (Fifth Ward – First Place). (12th Aldermanic District; submitted by Economic Development)

Alyssa Remington of Economic Development stated this TID was created in 2006 with \$35MM of increment already created for the district. This amendment adds 7 properties to the district to cover City riverwalk commitments for the remaining properties. The 234 S. Water Street development is the driver behind this resolution. The project includes 300 feet of riverwalk, some dockwall work, and public access connections. The amendment would extend the life of the TID to 2019.

Vice Chair West asked about the developer. Bailey Copeland of VJS stated the developer is a joint effort between VJS and LCM Funds. They intend to break ground in October 2016 with April 2018 completion.

Commissioner Hardrick moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10628.

Item 9, Regular Business

Resolution approving a Riverwalk Development Agreement among LCM Funds 38 Harbor View LLC, the City of Milwaukee and the Redevelopment Authority of the City of Milwaukee to share in total eligible costs of constructing the Riverwalk adjoining the property at 236 South Water Street, TID #68 (Fifth Ward – First Place). (12th Aldermanic District; submitted by Economic Development)

Alyssa Remington of Economic Development described the Development Agreement with LCM Funds. The City Plan Commission (CPC) has already approved the riverwalk design. The agreement has best efforts of 25% SBE and 40% RPP since this is not a direct private sector subsidy. The City will receive permanent public access for the riverwalk.

Vice Chair West asked about the CPC approval. Since the riverwalk is within 50 feet of the dockwall, the riverwalk requires CPC special zoning approval. Vice Chair West then asked about the human resources reporting to which Ms. Remington responded that before reimbursement, the developer needs to provide an update to DOA.

Commissioner Galvan asked about previous projects worked on by the developer. Bailey Copeland of VJS stated that both her company and LCM Funds have done several projects in Milwaukee in the last few years including projects along W. St. Paul Avenue.

Commissioner West moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10629.

Item 10, Regular Business

Resolution approving a Riverwalk Development Agreement among Cherry Water LLC, the City of Milwaukee and the Redevelopment Authority of the City of Milwaukee to share in total eligible costs of constructing the Riverwalk adjoining the property at 1433 North Water Street, TID #48 (Park East). (3rd Aldermanic District; submitted by Economic Development)

Alyssa Remington of Economic Development had introduced the item earlier in the meeting. This resolution is to approve the development agreement including the best

efforts on human resources. Agreement is for \$1.529MM of City funds for riverwalk, dockwall, and pedestrian connections.

Commissioner Hardrick moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10630.

Item 11, Regular Business

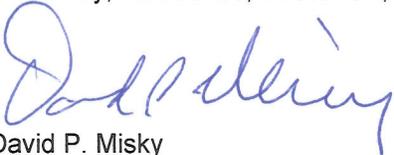
Resolution approving a First Amendment to Development Agreement among USL Land LLC, the Redevelopment Authority of the City of Milwaukee, and the City of Milwaukee to share in total eligible costs of constructing various public improvements related to the North End Project, TID #48 (Park East). (3rd Aldermanic District; submitted by Economic Development)

Alyssa Remington of Economic Development had also introduced the item earlier in the meeting. This resolution is to approve the development agreement including the best efforts on human resources for Phase IV of the North End. Agreement is for \$435k of City funds for riverwalk, dockwall, and pedestrian connections.

Commissioner West moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays. Adopted resolution is No. 10631.

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 **July 21, 2016**, 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.