REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
SEPTEMBER 11, 2018

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 Frances Hardrick, Vice Chair Commissioner Kathryn West Commissioner Bill Schwartz Commissioner Jose Galvan Commissioner Monique Charlier
MEMBERS EXCUSED:	Commissioner Cavalier Johnson
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 August 23, 2018 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported that for today's public hearing regarding approval of a Project Plan, the required Class II notice was published in the Daily Reporter on August 28th and September 4th. As required by Statute, letters were mailed to property owners and written notification was sent to the taxing jurisdictions prior to publication of the hearings. For the two public hearings regarding authorization of property dispositions, the required Class II notices were published in the Daily Reporter on August 28th and September 4th.

Item 1, Public Hearing
Resolution approving a Project Plan for Tax Incremental Financing District No. 94 (1st and Becher). (14th Aldermanic District; submitted by Economic Development)

Alyssa Remington of the Economic Development Team introduced the item for TID-94 including an overview of the Water and Land Use Plan that advocated for additional access to the river. David Stegeman, Chief Counsel for Michels Corporation, stated the company currently has ~7,100 employees and has a need to attract talent which led them to locating in the City of Milwaukee.

Matt Rinka, Rinka-Chung Architects, described the 6-acre project as a mixed-use destination. A total of 6 buildings would be constructed in a series of phases with access to the waterfront. Phase I would include the company's office building and parking deck. Future phases would include a possible hotel and/or multi-family housing development.

Lori Lutzka from the Department of City Development broke down the TID investments including reconstruction of Becher Street, new lighting, traffic signals, landscaping, and bike racks. The TID budget accounts for $3.4MM for the riverwalk, $2.5MM for Becher Street, $1MM for job creation, $400k for environmental cleanup, $750k for administration and contingency. The TID will have $4.4MM of the $8MM total developer financed and the company will have 25% SBE and 40% RPP requirements. The feasibility analysis shows a payoff of 19 years if only Phase I is completed which includes the Michels Office Building, the parking deck, and the riverwalk.

Commissioner Schwartz asked about occupancy of the office building. Ms. Lutzka stated the company will be using the majority of the space but the company has hired broker Kevin Barry to find tenants. Mr. Stegeman stated the company has been contacted by 5 hotel operators about Phase II. Commissioners Schwartz and Galvan then asked about the 250 jobs. Ms. Lutzka responded these are all new jobs and Mr. Stegeman added these are primarily engineers for their newly-formed infrastructure division.

Commissioner Schwartz asked how the Comptroller viewed the project. The preliminary meeting was the previous day and was "good so far". The Comptroller has until the Common Council committee meeting to issue their opinion letter. Commissioner Schwartz asked about the subsurface conditions on the site. Mr. Misky responded there is ~$3MM of environmental costs to cleanup the site which the TID and a WEDC grant will assist in paying for the remediation.

Commissioner Galvan asked about Phase II to which Mr. Stegeman stated the market will determine how fast Phase II is implemented. The company is currently drafting a marketing plan. Commissioner Charlier asked for clarification on the RPP component. Ms. Lutzka stated the initial Phase I ($49MM) will invoke Chapter 355 of the Code of Ordinances including the building, parking, and riverwalk.

Other questions about the riverwalk were addressed including the boardwalk will be part of the riverwalk system, the building will connect to the riverwalk providing full accessibility.

Finally, resident Gregory Bird of Bay View expressed concerns over $8MM of taxpayer funds being used to finance the project. His concerns involved KK/Becher roadwork, riverwalk oversight, and road salt. Ms. Remington responded that the TID is consistent with all other riverwalk TIDs approved to date.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10738.

Item 2, Public Hearing
Resolution approving the Land Disposition Report for a property in the Menomonee Valley Industrial Center for sale to 48IDA, LLC for construction of a corporate office and manufacturing facility of Splat! Digital Printing Inc., in the Former Milwaukee Road Shops Redevelopment Area. (8th Aldermanic District; submitted by Real Estate)

Assistant Executive Director Dave Misky provided the historical background of the Menomonee Valley Industrial Center from the most visible Brownfield in the State of Wisconsin to an award-winning business and community park. This item and the next one, if approved, will be the last two lots sold for business development.

Splat! dpi, a digital printing company, currently has 7 employees but has a need to expand their current footprint of 15k square feet. The company will construct a new 38k square foot building to expand their operations including new lines for printing.

Jeff Gregg, owner of Splat! dpi, shared with the Board a history of the company having started in 1997 in the Grain Exchange Building and moving to the former Anderson Graphics building on N. Emmber Lane, their current location. The company had an option on a parcel in Waukesha but decided the City of Milwaukee is where the company needed to be and settled on this parcel.

Chair Smith was excused from the meeting during presentation of this item.

Commissioner Galvan moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10739.

Item 3, Public Hearing
Resolution approving the Land Disposition Report for a property in the Menomonee Valley Industrial Center for sale to Mulhaney Properties, LLC for expansion of a manufacturing facility of Badger Railing, in the Former Milwaukee Road Shops Redevelopment Area. (8th Aldermanic District; submitted by Real Estate)

Dave Misky, Assistant Executive Director, introduced the item stating Badger Railing was the second business to locate in the Menomonee Valley Industrial Center in 2007. The company started there with 29 employees and now has over 50 employees and a need to expand operations.

Tom Mulhaney, owner of Badger Railing, described how they have been involved with nearly every large construction project within 100 miles of the City of Milwaukee but they are currently turning away work due to the lack of space. This addition to their building will add 15k square feet of manufacturing space to expand their operation. The company has been in the Valley since 1988 and sees a great benefit to staying in the City and the Valley to attract employees.

Commissioner West moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10740.

Item 4, Regular Business
Resolution regarding Century City Redevelopment Corporation and end of new market tax credit 7-year compliance period, and authorizing related real property conveyances and other end-of-compliance period actions, in the 1st and 7th Aldermanic Districts. (1st and 7th Aldermanic Districts; submitted by Real Estate/City Attorney)

Assistant Executive Director Dave Misky provided the historical background of using New Market Tax Credits (NMTC) for the Century City redevelopment project and the Villard Library. The entity Century City Redevelopment Corporation (CCRC) was created to leverage NMTC allocated to the Milwaukee Economic Development Corporation (MEDC). The $18.5MM of NMTC sold to US Bank brought in over $5MM of cash at the end of the transaction. Those funds were used to cleanup the Century City project site ($5MM) and to build out the Villard Library space ($600k). The NMTC compliance period of 7 years is expiring on October 14, 2018 and the transaction needs to be unwound.

For the unwinding, the City will take ownership of the Villard Library and the Authority will take ownership of Building 36 (Talgo Building) and the T-Mobile site. The Authority will collect rent of $400k annually for the sites but will use the funds to maintain the properties and continue to provide security.

Commissioner West moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10741.

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 **October 18, 2018,** 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.