

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
SEPTEMBER 17, 2009**

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 Robert B. Rondini, Chair
 Commissioner Kathryn M. West
 Commissioner Kenneth L. Johnson
 Commissioner Willie C. Wade
 Commissioner Bill Schwartz
 Commissioner Nancy Hernandez

MEMBERS EXCUSED: Commissioner Lois A. Smith, Vice Chair

ALSO IN ATTENDANCE: Rocky Marcoux, Executive Director-Secretary
 Elaine M. Miller, Special Designee to the 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 20, 2009 meeting. Hearing no corrections or objection, the minutes were adopted by consent.

Ms. Miller reported that for the hearing on the Tax Incremental District boundary and project plan, Class 2 Notices were published in The Daily Reporter on September 3rd and September 10, 2009, written notification was sent to the taxing jurisdictions prior to notice publication and letters were sent to property owners within the boundary prior to the 15-day requirement. She noted that the item regarding TID #48 funding and development agreement did not require statutory notices, but Class 2 notices of a public hearing for information purposes were published on September 3rd and September 10, 2009 in The Daily Reporter. For two hearings on blight designations, the property owners waived their right to the statutory 20-day written notice.

Item 1, Public Hearing

Resolution approving the boundaries and Project Plan for the South 27th Street and West Howard Avenue Tax Incremental Financing District. (13th Aldermanic District; submitted by Economic Development)

Jim Scherer identified the proposed boundary, which had been approved in June, The boundary includes several unique properties within the -- two vacant auto dealerships, a trailer park, a historic hotel and a new CVS -- that present redevelopment challenges. The first project would be conversion of the former Foster Ponitac building to a retail center. The \$500,000 loan is structured similar to the Goldman's project and would likely double the value of the property. The City's design principles would be followed.

Mr. Scherer answered Commissioners' questions regarding potential use of the rear land for a possible bike path and making the river channel more attractive. He clarified that the existing building would remain, which required the parking in the front.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10125.

Item 2, Public Hearing

Resolution authorizing additional funding for TID #48 (Park East) and approving the Terms of a Development Agreement among the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee and Moderne, LLC. (4th Aldermanic District; submitted by Economic Development)

Executive Director Rocky Marcoux introduced the item and discussed the challenges faced by quality, market-rate multi-family projects in today's commercial lending market. He indicated the loan request for the Moderne, while extraordinary, was not unique, received thorough review and compelling reasons exist for City participation -- increasing the tax-base and employment. Participation is near term and under carefully crafted terms to limit risk to taxpayers. The Moderne complements the Park East plan, is a well-designed project by a developer with a track record and is shovel ready. Mr. Marcoux emphasized that this was not a subsidy, but a loan at above-market rates.

Allison Rozek, project manager, provided details on the request for \$12 million in additional Park East funding and the Term Sheet for the Moderne project. She provided the updated unit mix for the Moderne that will now include 203 apartments, 14 condominiums on the upper floors, 204 structured parking spaces and 7,200 SF of retail space at a cost of \$55.2 million. She detailed project financing including a HUD guarantee, senior financing from Capmark and equity contributions of \$5 million. RACM would provide a completion loan and a mezzanine loan, both at four-year terms at above market rates, and would be repaid from condominium sales and apartment cash flow after senior debt payment. SB Friedman conducted the analysis of the loan structure and terms.

The item also includes additional TID funding for administration and a public park. In response to Commissioner's West question, Ms. Rozek stated loan administration would be handled by MEDC.

Other speakers included Pam Fendt, representing Good Jobs in Livable Neighborhoods, who spoke against the project and expressed concern about this action limiting resources for other projects. Executive Director Marcoux responded about other Park East projects and noted that the Moderne would add increment to the TID, not taking anything out. He also responded to Commissioners' questions on the aldermanic briefings and how this and a competing project would be evaluated at Council; addressed the impact of the MORE ordinance and noted the project will be 100% prevailing wage, 18% EBE and 21% RPP; and discussed demand for high-end rental housing.

Alex Runner, staff assistant for Council President Hines, spoke and confirmed Mr. Marcoux's comments on the aldermanic position.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 5 ayes - 1 nays with Commissioner Wade in opposition. Adopted resolution is No. 10126.

Item 3, Public Hearing

Resolution approving the blight designation and acquisition of the City-owned brownfield at 1027 North Edison Street as a condition of the EPA Brownfield Clean Up Grant application, accepting assignment of the Option to Purchase with Edison Green, LLC for commercial development and authorizing utility and access easements with the City of Milwaukee. (4th Aldermanic District; submitted by Economic Development)

Karen Dettmer of the Environmental Staff discussed the need for RACM to own this property in order to apply for a US EPA grant. The property was RFP'd by the City and

the buyer's due diligence indicated some contamination. The US EPA grant could offset remediation costs.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10127.

Item 4, Public Hearing

Resolution approving the blight designation and acquisition of privately owned property at 1922-24 North 39th Street and the adjacent City-owned vacant lot to assemble land for future development. (15th Aldermanic District; submitted by Real Estate)

Elaine Miller explained that the real estate staff looked for key spot acquisitions to complement the Authority's other projects. This property is across from United Methodist Children's Services expansion and adjacent a City-owned lot. She highlighted the poor condition of the house due to water damage. She noted the Authority needed to move quickly to meet the time schedule of Fannie Mae, which acquired the property in foreclosure. The action also authorized the offer to purchase for \$7,000.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10128.

Item 5, Regular Business

Resolution approving Grant Agreement with the City of Milwaukee for Tax Incremental District No. 71 Mitchell Street/608 West Mitchell Street Project. (12th Aldermanic District; submitted by Economic Development)

Jim Scherer presented the item and noted that the \$164,000 grant would help renovate a vacant restaurant. Funds would be used for restaurant improvements, façade replacement and upgrade of HVAC. Design criteria would apply and the grant includes a recapture provision.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10129.

Item 6, Regular Business

Resolution to accept and fund a Wisconsin Department of Commerce Blight Elimination and Brownfield Redevelopment Grant for Redevelopment of the Former Tower Automotive Facility. (7th Aldermanic District; submitted by Real Estate)

Benji Timm of the 30th Street Industrial Corridor Team stated the brownfield grant would be needed for demolition and remediation at the Tower site. He stated the Tower budget is about \$34 million with \$9 million provided by outside sources. This action was for a \$1.25 million grant from the Department of Commerce Brownfield program and requires a \$625,000 match from the TID. RACM is also seeking grants from stimulus money.

Commissioner Hernandez moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10130.

Item 7, Regular Business

Resolution approving and authorizing the solicitation of proposals for compliance monitoring services. (7th Aldermanic District; submitted by Real Estate)

Benji Timm requested Authority approval to solicit a RFP and enter into a contract to monitor compliance with prevailing wage and job creation requirements for the Tower project. Mr. Timm stated a dollar figure was not available, but noted that the compliance

work would be similar to that done for the City Hall restoration. The RFP would be advertised and a selection committee created.

Commissioner Johnson questioned the need to obtain contract approval in advance. He noted the normal process would bring the contract back for approval after the RFP. Questions or changes could occur later resulting in added costs, but accountability would be gone.

The resolution was amended to delete awarding the contract at this time.

Commissioner Johnson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10131.

Item 8, Regular Business

Resolution extending the Purchase and Sale Agreement with Sixth and Vine LLC for the properties in Phase I of the Vineyard Business Park Development. (6th Aldermanic District; submitted by Real Estate)

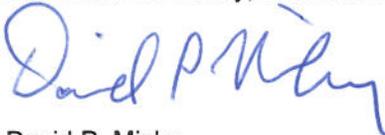
Matt Haessly of the Real Estate staff explained that poor economic conditions had further delayed this project. He explained that this would be the last extension in order to find financing for the proposed market. The buyer was also developing the Days Inn just north of the market site.

Commissioner Schwartz inquired about the hotel opening and the type of market. Mr. Haessly noted that the hotel was to open soon and that the store would be a high-end convenience store that would include a café and some groceries.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10132.

ADJOURNMENT

There being no further business to come before the Authority, a motion was made by Commissioner Johnson to schedule the next regular meeting for **October 15, 2009**, 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.