

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
SEPTEMBER 15, 2011**

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 Bill Schwartz, Vice Chair
Commissioner Kathryn M. West
Commissioner Alderman Willie C. Wade
Commissioner Ken Munson
Commissioner Hector Colon

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 August 25, 2011 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported that for the public hearing on property disposition, the required Class II notice was published in the Daily Reporter on September 1st and 8th. For the public hearing on proposed blight designation, the owner of the properties waived its statutory right to receive the hearing notice by Certified Mail 20 days prior to the hearings. For the public hearing on acquisition status change, the owner of the property waived its statutory right to receive the hearing notice by Certified Mail 10 days prior to the hearings.

Item 1, Public Hearing

Resolution approving an Option to Purchase for a property in the Menomonee Valley Industrial Center with J.F. Ahern Co. for development of a regional office and fabricating facility in the former Milwaukee Road Shops Redevelopment Project Area. (8th Aldermanic District; submitted by Real Estate)

Dave Misky, Assistant Executive Director of the Authority, introduced the resolution and the company, J.F. Ahern, looking to purchase 4.7 acres of land in the MVIC and construct a 67,000 square-foot office and fabricating facility. Ahern's corporate office is in Fond du Lac; however, their current regional headquarters in Menomonee Falls does not allow for any additional expansion. The company has been in SE Wisconsin for the past 20 years and has had steady growth but needs more room to expand. Authority staff has been working with the company for about 6 months and, after Ahern puts together their financing, is recommending approval of the item.

Bob Fischer, Executive Vice President of Ahern, provided the background of the company and the need for expansion. In addressing a question from the Board, he described the importance of the centralized location for their customer base. Mr. Fischer also explained the real likelihood of moving the fire extinguisher servicing to the new location adding 20 to 25 jobs to the Milwaukee area. The company currently employs 65 office employees and 125 servicing technicians. The new facility would bring the 20-25 jobs from the Fond du Lac office and allow for future expansion, possibly through acquisition. Pat Prendersgrast of Eppstein-Uhen provided a brief overview of the building design that follows the Valley guidelines and will achieve LEED certification to make this building a centerpiece of the company.

Commissioner Colon moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10303.

Item 2, Public Hearing

Resolution authorizing up to a \$490,000 loan from the EPA Brownfield Revolving Loan Fund (in addition to the \$500,000 loan outstanding) to River Corner, LLC c/o Paul Davis Restoration to be used on properties at 1930-1966 S. 4th Street. (12th Aldermanic District; submitted by Economic Development)

Tracy Luber of MEDC provided the background to the proposed redevelopment and the previous approval from the Board for the River Corner, LLC project. The developer has encountered additional environmental challenges with the property but has lined up several tenants for the new building. The financing gap for the remaining portion of the project is about \$1 MM. Between this loan and MEDC providing the rest of the gap, the project can move forward this fall.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10304.

Item 3, Public Hearing

Resolution changing the acquisition status of the former Garfield Elementary School at 2215 North 4th Street, authorizing an Offer to Purchase with the Milwaukee Board of School Directors and authorizing a Cooperation Agreement with Milwaukee Public Schools for property maintenance. (6th Aldermanic District; submitted by Neighborhood Development)

Deshea Agee of Neighborhood Development introduced the item and asked that Alderwoman Coggs address the Board. Alderwoman Coggs provided some background to the Bronzeville District initiative with the City having spent \$3.5 million through a TIF. There has been acquisition of several parcels, redevelopment of 642 W. North Avenue, and new streetscaping. The Alderwoman supports the acquisition of the former MPS school.

Mr. Agee then stated the possible future uses of the building including cultural space such as artist lofts, classrooms, studios, rehearsal space, and galleries. Mr. Agee addressed Commissioner Munson's question on maintenance costs where MPS spends ~\$50,000 per year for maintaining the facility. These costs will be taken on by the TID until rent payments could offset the expense. Commissioner West asked about the long-term ownership model and Mr. Agee stated the plan is for a public-private partnership.

Commissioner Munson moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10305.

Item 4, Regular Business

Resolution approving a first amendment to a Cooperation, Reimbursement, and Redevelopment Agreement (Harley-Davidson Museum Project). (12th Aldermanic District; submitted by City Attorney's Office)

Tom Gartner of the City Attorney's Office provided the background for the Harley-Davidson Museum project and the commitment made by the Harley-Davidson, the City, and the Authority. Due to the economic climate, the three-phase deal from 2005 is not possible for the company. HDI has completed phases 1 and 2 but will not be able to complete the required office and/or commercial structures. This amendment eliminates the requirement through a payment of \$700,000 to the City and allows for a first-right-of-refusal on the parking lots.

The question of where the \$700,000 will reside and how it will be used was debated. Alderman Wade said the debate will be resolved on the Council floor during the next Common Council meeting.

Commissioner Wade moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10306.

Item 5, Regular Business

Resolution approving a first amendment to a contract with Foley & Lardner LLP for legal services and approving additional contracts and disbursements for legal and professional services to be incurred in conjunction with closing a New Markets Tax Credit transaction that will financially benefit the Century City and Villard Library developments. (1st & 7th Aldermanic District; submitted by Real Estate)

Dave Misky, Assistant Executive Director, asked that items 5 and 6 be heard concurrently. The New Market Tax Credit (NMTC) structure has been a work in progress for several months. The Authority authorized a \$100,000 contract for Foley & Lardner to assist in structuring the deal. The overall scope of consultant fees is nearly \$500,000 in order to generate approximately \$4.2 million of net benefit to the City. Foley & Lardner's portion of the fees is \$150,000. The overall NMTC flow structure has been completed and now the parties are preparing the paperwork for closing. Authority staff plans on closing the deal in the next 2 to 3 weeks. Bruce Keyes, partner at Foley, reassured the Board his firm's commitment to closing the deal and keeping their costs below \$150,000.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10307.

Item 6, Regular Business

Resolution approving a loan of up to \$14,000,000 in conjunction with a New Markets Tax Credit transaction that will financially benefit the Century City and Villard Library developments. (1st & 7th Aldermanic District; submitted by City Attorney's Office)

Dave Misky and Tom Gartner described the role of the Authority in providing up to a \$14 million loan to the NMTC transaction. The source of the funds for the loan would include \$6.4MM from the TID, \$3.1MM from the WisDOT grant, \$2.6 MM from the Villard Library project, and \$700K from the brownfield revolving loan fund. The final piece of the loan would be a \$2.5 MM 1-day loan from MEDC to the Redevelopment Authority for the purposes of closing. MEDC would be repaid those funds on the same day. The terms of this loan have not been worked out between MEDC and the Authority; however, the Authority has been assured of very favorable terms and conditions. This resolution would allow the Authority to put all of the funds together and provide the loan for the closing.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10308. (Commissioner Colon was excused from the meeting after this vote.)

Item 7, Regular Business

Resolution approving an amendment to the Valley Passage Easement regarding the Hank Aaron State Trail and the Pierce Street Crossing. (8th Aldermanic District; submitted by City Attorney's Office)

Gregg Hagopian of the City Attorney's Office presented the resolution and described all of the parties who entered into the original easement agreement. This resolution acknowledges the sale of the property from the WDNR to the Urban Ecology Center including three retaining walls supporting the Valley Passage leading to the Hank Aaron State Bike Trail. The maintenance of the walls now resides with the Urban Ecology Center. Since the Authority was party to the original easement agreement, an additional signature is necessary.

Commissioner Munson moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10309.

Item 8, Regular Business

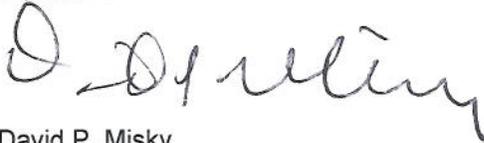
Resolution authorizing an amendment to a contract with Prism Technical Management & Marketing Services, LLC for compliance monitoring services at Century City. (7th Aldermanic District; submitted by Real Estate)

Benji Timm, Project Manager for the Century City project, detailed the success to date of the EBE and RPP contributions to the overall project. The project has attained contributions of 37% EBE and 40% RPP for all work performed through efforts of Authority staff and Prism Technical. This resolution would extend the contract with Prism for an additional year to include additional EBE and RPP percentages to the remaining activities such as asbestos abatement and demolition. The Commissioners requested staff provide an update of the Century City project at an upcoming meeting similar to the updates given to the Common Council. In addition, the Commissioners would like to tour the Talgo facility in the next month to see the completed train sets.

Commissioner Munson moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10310.

ADJOURNMENT

There being no further business to come before the Authority, a motion was made by Commissioner Schwartz to schedule the next regular meeting for **October 20, 2011**, 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.