

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
MARCH 15, 2012**

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 Robert B. Rondini
Commissioner Jose Galvan

MEMBERS EXCUSED: None

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 February 16, 2012 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported the following for today's public hearings. For the public hearing on the proposed blight designation, notices were sent by Certified Mail to the property owner 10 days prior to the hearing. For the public hearing on an 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 hearing. For the public hearing on environmental cleanup, the required notice was published in the Daily Reporter on February 14th. For the public hearing on for property disposition, the required Class II notice was published in the Daily Reporter on March 1st and 8th.

Item 1, Public Hearing

Resolution ratifying past actions, approving Sydney Hih acquisition, declaring the Sydney Hih Parcel blighted under the Park East Redevelopment Project Plan provisions, and approving a Termination Agreement regarding brokerage. (6th Aldermanic District; submitted by Economic Development)

Executive Director Rocky Marcoux introduced the resolution with a brief overview of the City's attempt to attract Kohl's Headquarters to the former Park East. A piece of the real estate deal was the City's use of MEDC to make an offer on the Sydney Hih building because of the confidentiality of the deal. Due to his knowledge of the Park East real estate and his families ownership of a key parcel, the Authority contracted James Barry III to negotiate with several other private land owners for properties identified by Kohl's needed for parking. For the \$95,000 contract with Mr. Barry, options were obtained on two of the parcels, Items 3 and 4 of the map, and \$100,000 of earnest money was used to secure the options. MEDC is willing to transfer the land through the land tranfer agreement which allows the Authority to pay MEDC back over 3 years. The total for the land (\$774,000), asbestos abatement (~\$50,000), and demolition (~\$200,000) is not-to-exceed \$1,099,000.

Commissioner West wanted clarification on Items 3 and 4. Mr. Marcoux stated that the Authority is not buying either property. Commissioner Schwartz asked about the impact on the RACM budget. Mr. Marcoux reminded the Board that we have a \$1.2 million structural deficit each year and is something the staff and Board will be working on for the 2013 budget. Part of the budget could include some funds to use for economic development projects.

Commissioner Schwartz asked about the footprint of the Sydney Hih building to which Mr. Marcoux responded with an estimate of 1/4 of the city block. Commissioner Wade wondered about the opportunity for the Authority to recoup some of their funds when the Sydney Hih property is sold. Mr. Marcoux stated that is a possibility but the Authority may be asked to put the land in for less.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10340.

Item 2, Public Hearing

Resolution changing the acquisition status of the parking lot at 748 North 27th Street and authorizing an Offer to Purchase with the Milwaukee County. (6th Aldermanic District; submitted by Real Estate)

Executive Director Rocky Marcoux introduced the item stating the existing parking lot would be acquired from Milwaukee County for \$22,000. The lot is adjacent to the SOHI Building and would be leased to the owner of the SOHI Building, Mr. John Hennessy. The lease would provide Mr. Hennessy with parking for the 1st floor Subway and the 2nd and 3rd floor office spaces of his building. In addition, if 27th Street was widened, the Authority could offer a piece of the parcel for a possible boulevard. Ms. June Moberly of Avenues West and BID 10 spoke on behalf of her stakeholders in support of this acquisition. Commissioner Wade asked about the possibility of the US Bank branch moving to 27th Street and Mr. Marcoux stated that was one scenario. He also mentioned Hazelton could be vacated, particularly if the Mobil Station was acquired and a boulevard was created. Regardless, this acquisition makes sense for the neighborhood.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10341.

Item 3, Public Hearing

Resolution authorizing the preferred remedial cleanup action option at the Century City Area D and Area F sites where EPA Brownfields Cleanup Grants will be utilized for remediation. (7th Aldermanic District; submitted by Environmental Team)

Tory Kress of the Environmental Team provided the background for the environmental work at Century City, our new modern business park. The Authority is currently performing pre-demolition work (asbestos abatement) and has already demolished several buildings this spring. To assist in financing the work, the Authority has received two EPA cleanup grants that will be used following demolition in Areas D and F. This resolution authorizes the Authority to use the funds for soil investigation and excavation, and implementation of institutional controls and natural attenuation. Commissioner Galvan asked about the timing of soil excavation vs. demolition. It was clarified that the buildings in D and F have not yet been demolished and the excavation would not occur until that happens. Executive Director Marcoux stated that Buildings 1 and 65 will not be demolished at this time.

For the purposes of this public hearing, it should be noted that no one from the public made any comments during this hearing nor did the Authority receive any written or verbal comments prior to this hearing.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10342.

Item 4, Public Hearing

Resolution authorizing an Option to Purchase with WIS27, LLC for the property at 2601 West Wisconsin Avenue for office development. (4th Aldermanic District; submitted by Economic Development)

Rocky Marcoux, Executive Director, introduced this resolution and the opportunity for the property to house a 200-employee government office building. The State of WI issued an RFP for the Department of Children and Families that included this parcel as a possible location to consolidate. The design of the 64,000 square-foot building is still being worked on but this resolution provides the developer an option indicating site control to the State Building Commission.

Commissioner Schwartz asked where their current operations are located and Mr. Marcoux stated West Allis, Fond du Lac Avenue, and Schlitz Park. Commissioner Schwartz and the Board had questions about the State's 5-year lease and what will happen if the lease is not renewed. Mr. Marcoux said other uses would be possible but office would be preferred with continued private ownership and tax base. Commissioner West asked about the other half of the day (after 5:00 p.m.). Could there be a higher and better use to engage the neighborhood? Mr. Marcoux responded that the building will have two shifts and this should activate the neighborhood around it.

June Moberly, Executive Director of Avenues West and BID 10, stated her stakeholders had initial concerns over the certain design elements but a recent meeting has alleviated many of those concerns. Mr. Marcoux stated that the Common Council will have the last voice on the design of the building.

Commissioner Galvan moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays with Commissioner West abstaining. Adopted resolution is No. 10343.

Item 5, Regular Business

Initial Resolution Regarding Midwestern Disaster Area Revenue Bond Financing for WIS27, LLC. (4th Aldermanic District; submitted by Economic Development)

Rocky Marcoux, Executive Director, had summarized the project in an earlier resolution. This initial resolution is needed if the State of Wisconsin project moves forward. Commissioner Rondini expressed concern that this particular State agency tends to move often depending on the current philosophy of being present in several neighborhoods vs consolidation at one location. Executive Director Marcoux stated that he will be the point person and convey Commissioner Rondini and the Board's concern of only having a 5-year lease.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays with Commissioner West abstaining. Adopted resolution is No. 10344.

Item 6, Regular Business

Resolution Authorizing Redevelopment Authority of the City of Milwaukee Revenue Bonds, Series 2012 (Milwaukee School of Engineering Project) in an amount not to exceed \$35,000,000. (3rd Aldermanic District; submitted by Economic Development)

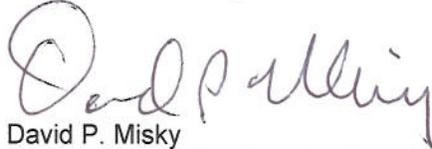
Jim Scherer of Economic Development briefed the Board on the previous introductory MSOE bond resolution. This item is the authorizing resolution for bonding authority for the parking structure/soccer field and refinancing of previous bond issuance.

Commissioner Schwartz requested clarification on the previous bonds and Mr. Scherer stated the refinancing portion of this resolution is for classroom and lab space.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10345.

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 **April 19, 2012**, 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.