

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
SPECIAL MEETING
JUNE 4, 2012**

MINUTES

The Redevelopment Authority of the City of Milwaukee held a special meeting at 4:30 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 (via telephone)
 Commissioner Alderman Willie C. Wade

MEMBERS EXCUSED: Commissioner Robert B. Rondini
 Commissioner Jose Galvan

ALSO IN ATTENDANCE: David P. Misky, Assistant Executive Director-Secretary

Item 1, Regular Business

Resolution authorizing agreement with bidder for the property at 1150 North Water Street. (4th Aldermanic District; submitted by City Attorney's Office)

Gregg Hagopian of the City Attorney's Office reintroduced the item and mentioned the May 31st auction at the Milwaukee Athletic Club. The winning bidder was determined on a \$12.4 million bid with the confirmation hearing to be held tomorrow at 2:00 p.m. The resolution title is for us to bring a negotiated agreement to the Board; however, an agreement is not necessary since the successful bidder, 2010-1 SFG Venture LLC, has agreed to take title to the property subject to the reversionary interests. The receiver will request the court approve the Court Order and Quit Claim Deed which wipes out all prior recorded interests including the reversionary rights. The receiver and Venture have agreed to add language to the Court Order and not the Deed to ensure the reversionary rights carry through the property transfer.

Mr. Hugh O'Halloran of Foley & Lardner, and representing Venture, stated that his client is part of a Public-Private Partnership with the FDIC where the partnership has secured the mortgage interests for this and other properties. Mr. O'Halloran stated that his client needs time to assess the building and how they can best protect the original investment of \$15 million.

Dan Kassell, inhouse counsel for Venture, would like this sale to move as quickly as possible. He stated that the partnership with FDIC is a 60/40 split with his firm acting as the managing member and holding 40%. The partnership has about 50 different properties in the country. If they are confirmed at the court hearing tomorrow, they will be working quickly to determine their next move (i.e. finish the project themselves or sell the property) to determine what would be most profitable to the partnership.

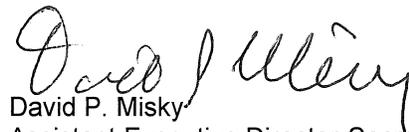
Jim DeRowe of Venture stated they have done similar projects in Atlanta, New York, and Florida. Each project is viewed differently and Venture has acted as the developer and has sold properties.

Commissioner Schwartz asked about the comfort level of Venture to allow the reversionary rights to continue with the property. Mr. Kassell stated that his firm is more comfortable the more they work with the Authority.

There is no agreement brought to the Board and so no action was taken for the Special Hearing.

ADJOURNMENT

There being no further business to come before the Authority, a motion was made by Commissioner Schwartz 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.