

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
JANUARY 17, 2013**

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 Bill Schwartz, Chair
Commissioner Lois A. Smith, Vice Chair
Commissioner Kathryn M. West
Commissioner Robert B. Rondini
Commissioner Frances Hardrick

MEMBERS EXCUSED: Commissioner Alderman Willie C. Wade
Commissioner Jose Galvan

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 December 13, 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 regarding a Project Plan, the required Class II notice was published in the Daily Reporter on January 3rd and January 10th. As required by Statute, written notification was sent to the taxing jurisdictions prior to publication of this hearing notice.

For the public hearing regarding brownfield cleanup action, the required notice was published in the Daily Reporter on December 18th.

Item 1, Public Hearing

Resolution approving the boundaries and Project Plan for the Northwestern Mutual Tax Incremental Financing District. (4th Aldermanic District; submitted by Economic Development)

Executive Director Marcoux introduced the resolution and relayed the Mayor's support for this project, the single largest real estate project in the history of the City of Milwaukee. This is a huge commitment from Northwestern Mutual Life for job retention, creation, and expansion of their company. Mr. Steve Radke, VP of Government Relation for NML, then spoke on reaffirming NML's commitment to the City of Milwaukee, its employees and its customers. The skywalks will remain with 1 added to the recently-acquired Van Buren building. A brief description of the Franklin and downtown campuses was provided and a comparison of the three options was included. The downtown tower option was chosen for various reasons including the East Building being in need of significant repair and

could alternatively be demolished. There are challenges with a new tower including cost premiums of vertical construction, watering/dewatering of foundation, and the configuration of the building. The estimated cost above a suburban build is \$28 to \$30 million for the tower.

The tower is projected to be 30 stories with 840,000 square feet that will house 2,800 employees. The developer-financed TIF reduces but does not eliminate the extra costs associated with the tower. Mr. Scherer of Economic Development stated the TIF request is for \$48 million and will be "pay-as-you-go;" consequently there is no risk to the City taxpayer. Another \$17-\$18 million is being proposed for infrastructure improvements such as the Lakefront Gateway plan. There is a small clawback provision that kicks in if the company does not add the expected 1,100 jobs.

Alderman Bauman, who represents this district, spoke in support of the project particularly when one considers the job creation and retention. He expects the architecture and design to be top-rate and urges the Board's support.

Executive Director Marcoux then emphasized the 100% prevailing wage, 40% RPP, and 25% SBE. There will also be a job training piece to the project.

Commissioner Smith asked about the timeline. Mr. Marcoux stated the plan for the city's infrastructure is design in 2013 and built in 2014. Mr. Radke of NML stated the demolition of the East Building would occur in late 2013 with mid-2014 start for the tower.

Chair Schwartz asked about the safety margin and Mr. Scherer stated this was a judgment call with present value. Mr. Radke confirmed that the renderings would be included in the \$300 million cost estimate and any excess space would be for NML expansion and not for subletting. He also said the parking for the tower is still being considered including discussions with Milwaukee County on O'Donnell Park.

Finally, Laborer's Union let the Authority know that they are in support of the Northwestern Mutual Life TIF.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays with Commissioner Smith abstaining. Adopted resolution is No. 10394.

Item 2, Public Hearing

Resolution authorizing the preferred remedial cleanup action option at the Century City Area B and Area C 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 an overview of the Century City project. The environmental site investigation and demolition are nearing completion but remediation is needed. The Authority has secured several USEPA cleanup grants that will manage some of the soil and groundwater issues on the site. This resolution authorizes staff to use excavation for off-site disposal combined with institutional controls (capping) and natural attenuation. Two grants, each worth \$200,000, will be used this Spring on the site. Commissioner Rondini asked how far \$200,000 can take us. Ms. Kress stated these funds are part of a larger package of grant funds that will remediate a significant portion of Areas B and C. Benji Timm interjected that some of the remediation has already occurred and these funds would carry the work further.

Commissioner West moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10395.

Item 3, Regular Business

Resolution relative to application, acceptance, and funding of a Wisconsin Economic Development Corporation Site Assessment Grant for environmental site assessment work at the Century City site in the City of Milwaukee. (7th Aldermanic District; submitted by Environmental Team)

Tory Kress of the Environmental Team stated the need for this resolution whereby the Authority would be authorized to apply, accept, and fund a State of Wisconsin grant for Century City. The \$150,000 grant would fund further assessment of the site including groundwater monitoring. This would allow the Authority to complete the Remedial Action Plan and, ultimately, request closure. Commissioner West asked about the match to this grant and Ms. Kress stated the match would come from other grants.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10396.

Item 4, Regular Business

Resolution authorizing a new contract for the unarmed security guard services at the Century City site and an amendment to the current contract for the same services. (7th Aldermanic District; submitted by Real Estate)

Benji Timm, project manager of Century City, stated that the demolition of all the buildings is nearly complete and 2013 will be a year for environmental remediation. Based on the changes to the site, the security contract will be more for trespassers and managing on-site contractors. The 5-member committee reviewed the 8 proposers and selected G4S for a contract not to exceed \$250,000 for this year. This is slightly less than the \$340,000 contract the previous contractor had for the site. G4S will meet the 25% SBE and 40% RPP goals and will likely use their predecessor's workforce. Overall, the site has been very secure with only a few thefts and breaks in the fence line.

Commissioner West moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays. Adopted resolution is No. 10397.

Item 5, Regular Business

Resolution relating to issuance of redevelopment revenue bonds with respect to the Towne Club at The Brewery Project. (4th Aldermanic District; submitted by Economic Development)

Jim Scherer of Economic Development introduced the \$37 million project to the Board. The bond issuance, where the Authority would be a conduit, would be for acquisition and renovation of the malt house at the former Pabst Brewery at 10th and Juneau. The renovated malt house would create 224 senior living apartments from independent to assisted-care. According to Mr. Scherer, there would be limited medical staff on site for the assisted-care facility. Commissioner Hardrick questioned the rent to which Mr. Scherer responded that the higher-end rent is for breakfast and medical assistance. Commissioner West asked about the building being isolated from the rest of the Brewery and downtown. Mr. Scherer stated the market conditions have dictated the types of users in the Brewery from a hotel to a school to offices. He also mentioned the TID that needs to be paid back and each development helps. The developer is a 501(c)3 and is working on establishing a PILOT agreement to be affixed to the deed. Commissioners requested an update of the Brewery Project from the developer at the next Board meeting including a market study.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 4 ayes - 0 nays with Commissioner Hardrick abstaining. Adopted resolution is No. 10398.

ADJOURNMENT

There being no further business to come before the Authority, a motion was made by Commissioner Smith to schedule the next regular meeting for **February 21, 2013**, at 1:30 P.M., 1st Floor Board Room, 809 North Broadway, Milwaukee, Wisconsin, and, to adjourn. The motion carried without objection.

A handwritten signature in black ink, appearing to read "David P. Misky". The signature is fluid and cursive, with the first name "David" being the most prominent.

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.