

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
SPECIAL MEETING
JULY 2, 2015**

MINUTES

The Redevelopment Authority of the City of Milwaukee held a special 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 Alderman Willie C. Wade
 Commissioner Jose Galvan
 Commissioner Frances Hardrick

MEMBERS EXCUSED: Commissioner Robert B. Rondini

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

Mr. Misky reported that for today's two public hearings regarding Project Plans, the required Class II notices were published in the Daily Reporter on June 18th and June 25th. Where required by Statute, letters were mailed to property owners and written notification was sent to the taxing jurisdictions prior to publication of the hearings.

Item 1, Public Hearing

Resolution approving the boundaries and Project Plan for the West McKinley and West Juneau Tax Incremental Financing District. (4th & 6th Aldermanic Districts; submitted by Commissioner's Office)

Executive Director Rocky Marcoux provided some historical context regarding the Former Park East Freeway and introduced Peter Fegin, President of the Milwaukee Bucks. Mr. Fegin stated the team's commitment to the City and that the franchise wants to create a sports entertainment district highlighted by a \$500MM arena. The district would be created over 3 phases with the Bucks taking on any cost overruns and operation and maintenance of the facilities.

Executive Director Marcoux provided additional detail on the financing structure of the \$47MM with the State contributing \$55MM, the County \$55MM, the WI Center District \$93MM, Senator Kohl \$100MM, and the current owners \$150MM. The \$47MM City contribution is broken down by TID-84 (\$20MM) and TID-22 (\$27MM). The TIDs will be used to construct a \$35MM parking structure and a \$12MM contribution to a plaza outside the arena.

This resolution is to create TID-84 whereby \$12MM would come from bonds to construct the plaza and \$8MM would be developer-financed and repayment is subordinate to the City's money. The feasibility for this TID is based only on Phase I and does not include most of the proposed residential and commercial.

Commissioner Galvan moved for adoption of the resolution and it carried by a vote of 5 ayes - 1 nays with Commissioner West in opposition. Adopted resolution is No. 10567.

Item 2, Public Hearing

Resolution approving a Fourth Amendment to the Project Plan for Tax Incremental Financing District No. 22 (Beerline "B"). (3rd & 6th Aldermanic Districts; submitted by Commissioner's Office)

The amendment to TID-22 is for \$27MM to be used for the parking deck. The TID was to be paid off in 2016 but this amendment would push the repayment out to the legal 27-year limit of 2020.

Those speaking in opposition of the arena financing include CommonGround with Willie Davis and Bob Connelly, resident Virginia Small, Wisconsin Jobs Now with Jennifer Epps-Addison and Peter Rickman, and resident Raoul. Those speaking in support of the arena financing include Eve Hall of the African-American Chamber of Commerce, Jim Barry III, resident, business owner and property owner, Jorge Franco of the Hispanic Chamber of Commerce, Gary Grunau of the Schlitz Office Park, Carla Cross and Randy Crump, local minority business owners, Dan Dukiewicz of the Building Trades, Tim Sheehy of MMAC, Ralph Hollmon of the MKE Urban League, and Beth Werick, CEO of MKE Downtown (BID 21).

Commissioner Smith asked about any parking commitments for surrounding businesses to which Executive Director Marcoux stated the Milwaukee Journal Sentinel has ~40 spots that will be honored with the new deck. Chair Schwartz asked about the connection from the sports entertainment district to West Wisconsin Avenue. Ms. Werick of the MKE Downtown said linkages between the two areas have already been discussed and will be further discussed as the plan moves forward. Commissioner West asked about the new parking deck revenue to which Executive Director Marcoux stated the City is currently generating ~\$500k of income per year. The income should increase due to more events at the arena.

Commissioner Hardrick asked about prevailing wage. Executive Director Marcoux responded that the Bucks would have to answer this question and that they are not yet ready to address the topic yet. Commissioner Smith asked about the number of Bucks jobs. Executive Director Marcoux stated the organization has hired over 100 people since the owners purchased the team but, since the analysis was still being undertaken, was not able to provide a number of future jobs for the development.

Commissioner Hardrick moved for adoption of the resolution and it carried by a vote of 5 ayes - 1 nays with Commissioner West in opposition. Adopted resolution is No. 10568.

Item 3, Regular Business

Resolution approving a Development Agreement for the Zurn headquarters relocation project. (12th Aldermanic District; submitted by Economic Development)

Dan Casanova of Economic Development introduced the item where the TID was created in 2009, amended in 2011 to create Freshwater Way, repair the dockwall, and install a plaza, and amended in 2014 to incentivize businesses to the district. The incentives required 70% of the companies based in water technology and 50% must be pre-leased. This resolution provides a \$1MM for site preparation and a \$900k loan to Zurn that is forgivable if certain job counts are met. This is consistent with other companies recently attracted to Milwaukee including Gardner-Denver.

Chair Schwartz asked about the ratio of 2.1 jobs/1,000 square feet of building. Developer Michael Klein responded that the first floor will have showroom and laboratory space. Mr. Casanova stated a parking deck may be needed in the future and is contemplated in the developer's agreement with Peter Moede. Commissioner Galvan asked about the Zurn employee mix. A Zurn representative responded that many of the 120 projected jobs are existing but the total is a combination of existing and new jobs.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10569.

Item 4, Regular Business

Resolution authorizing up to a \$300,000 subgrant allocation for assessment and cleanup projects at the Century City Business Park from the program income of the RACM Brownfields Revolving Loan Fund received from grant funding from EPA. (7th Aldermanic District; submitted by 30th Street Corridor)

Kein Burton of the 30th Street Corridor Team described the success of the Authority's Brownfield Program. The Authority Board approved re-deployment of the revolved funds for loans, grants, and administrative. This resolution would allow for \$300k of revolved loan funds to be used for the Century City redevelopment project which utilized \$200k of these funds in 2011.

Commissioner West moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10570.

Item 4A, Regular Business

Resolution authorizing deferred payment of \$236,500 in land sales proceeds associated with the Century City 1 development in the Century City Business Park, in the 7th Aldermanic District. (7th Aldermanic District; submitted by 30th Street Corridor)

Kein Burton of the 30th Street Corridor Team described some of the extraordinary costs associated with construction of Century City I including grading and environmental issues. This resolution would allow for deferring land sale proceeds until the end of the project term (7 years). The project is scheduled to close next week following a Century City Redevelopment Corporation board meeting.

Commissioner Smith moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10571.

Item 5, Administration

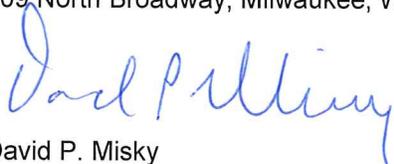
Acceptance and approval of the 2014 RACM audit and financial statements by Baker Tilly. (submitted by Finance & Administration)

Ms. Lori Schmidt of Finance & Administration stated that the 2014 audit did not reveal any comments or recommendations. Ms. Schmidt then introduced Steve Henke of Baker Tilly. Mr. Henke provided an overview of the financial statements for 2014 and stated there were no material weaknesses or deficiencies. The audit issued a "clean opinion."

Commissioner West moved for acceptance and approval and it carried by a vote of 6 ayes - 0 nays.

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 **August 20, 2015**, 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.