

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE
REGULAR MEETING
JANUARY 19, 2017**

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 Kathryn West, Vice Chair
Commissioner Robert B. Rondini
Commissioner Bill Schwartz
Commissioner Jose Galvan
Commissioner Frances Hardrick

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 15, 2016 meeting. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported that for today's public hearing regarding approval of a Project Plan amendment, the required Class I notice was published in the Daily Reporter on January 12th and, as required by Statute, written notification was sent to the taxing jurisdictions prior to publication of the hearing. For the public hearing regarding proposed blight designation, the owners of the property waived their statutory right to receive the hearing notice by Certified Mail 20 days prior to the hearings.

Item 1, Public Hearing

Resolution approving a Fourth Amendment to the Project Plan for Tax Incremental Financing District No. 37 (Grand Avenue) and approving a Term Sheet for a Cooperation Agreement for the Bon-Ton Project and approving a Term Sheet for a Cooperation Agreement for the Grand Theater Project. (4th Aldermanic District; submitted by Economic Development)

Dan Casanova of Economic Development provided the background for the resolution including the history of TID-37 and the previous three amendments. This amendment is for three purposes including jobs, historic preservation, and infrastructure. Other recent initiatives that influenced staff's recommendation to move this amendment forward including the Downtown Plan (2010), Wisconsin Avenue Milwaukee Development Corp (WAMDC - 2013), the rehabilitation of the Posner Building (2014), the Streetcar, Bus-Rapid-Transit, the recent sale of the Grand Avenue Mall, and the RFP for the RACM-owned parcel at 4th and Wisconsin Avenue.

The job component of Amendment #4 centers around retaining Bon-Ton and the Boston Store. Together, they make up over 750 employees and are the largest employer in West Towne. The \$1.9MM forgivable loan is based on retaining at least 750 jobs over the length of the lease or until 2028. The agreement includes SBE and RPP, and requires a PILOT if the property becomes tax exempt and a façade easement.

The historic preservation component for Amendment #4 is for infrastructure improvements associated with \$80MM restoration of the Grand Theater for use by the Milwaukee Symphony Orchestra. The \$2.5MM cost is for work to be done on N. 2nd Street between Wisconsin and Wells and for a façade grant. The agreement would include SBE and RPP, and a façade easement and PILOT.

The infrastructure component to Amendment #4 includes \$4.365MM of reconstruction, repaving, and enhanced street lighting for the intersection and surrounding area of the TID boundary. The total TID amendment is for \$7.8MM and would extend the TID to 2020 but be paid off by year 23 of the TID.

Commissioner West asked about the upper floors of the Grand Theater to which Mr. Casanova responded that there are no immediate plans. Commissioner Schwartz asked about the \$1.9MM forgivable loan to Boston Store. Mr. Casanova stated the loan is for moving employees from 20,000 sf of the Federal Building to the Bon-Ton building but also to renovate 190,000 sf of existing office.

Commissioner Schwartz then asked about the negotiations with Bon-Ton. Executive Director Marcoux provided an overview of the strategy which has been on-going for over a decade. A question about the Grand Theater office space was asked of Bob Monnat who is representing WAMDC. Mr. Monnat responded that the Symphony is undertaking a \$120MM capital campaign that may determine if the tower can house the Symphony office staff (25,000 sf).

Commissioner West moved for adoption of the resolution and it carried by a vote of 5 ayes - 0 nays with Commissioner Smith abstaining. Adopted resolution is No. 10657.

Item 2, Public Hearing

Resolution designating the property located at 5111 S. 9th Street as a property in need of substantial rehabilitation for the purpose of providing financial assistance for redevelopment and borrowing purposes (Leader Paper Products, Inc. Project). (13th Aldermanic District; submitted by City Attorney's Office)

Assistant City Attorney Jeremy McKenzie introduced the blight designation resolution by describing the property at 5111 S. 9th Street. The 187,000 sf building is in need of rehabilitation due to a number of environmental issues including soil and groundwater impacts and asbestos containing material. The building is largely vacant but was recently purchased by Leader Paper for expansion.

Scott Wilke, President and CEO of Leader Paper, has been with the company for 45 years and provided the historical background to the paper manufacturer and supplier. The company has grown with several expansions in the Walker's Point neighborhood for over 100 years but cannot grow in the neighborhood any longer. The company continues to have a need for increased production and storage space. The bond issuance would allow them to finance the acquisition and rehabilitation of the building, and invest in new equipment for the facility. The company currently has 110 employees but will add new employees as the continue to grow.

Commissioner Rondini moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10658.

Item 3, Regular Business

Initial Resolution Regarding Redevelopment Revenue Bond Financing for Leader Paper Products, Inc. Project. (13th Aldermanic District; submitted by City Attorney's Office)

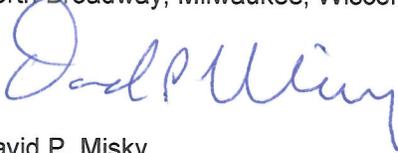
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Assistant City Attorney Jeremy McKenzie further described the project and stated the \$9MM conduit bond approval would require a second resolution at a later date prior to issuance.

Commissioner Schwartz moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10659.

ADJOURNMENT

There being no further business to come before the Authority, a motion was made by Commissioner West to schedule the next regular meeting for **February 16, 2017**, 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.