



City of Milwaukee

City Hall
200 East Wells Street
Milwaukee, WI 53202

Meeting Agenda ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

ALD. JAMES WITKOWIAK, CHAIR

Ald. Willie Wade, Vice-Chair

Ald. Michael Murphy, Ald. Robert Bauman, and Ald. T. Anthony Zielinski

**Staff Assistant, Linda Elmer, 286-2232, Fax: 286-3456,
lelmer@milwaukee.gov**

**Legislative Liaison, Jeffrey Osterman, 286-2262,
joster@milwaukee.gov**

Tuesday, February 1, 2011

9:00 AM

Room 301-B, City Hall

1. [101212](#) An ordinance relating to the permitted use of rain barrels.
Sponsors: Ald. Bohl

2. [101101](#) A substitute ordinance relating to the change in zoning from Local Business to General Planned Development, for commercial redevelopment, on lands located on the north side of West Silver Spring Drive, south and west of West Appleton Avenue, in the 5th Aldermanic District.
Sponsors: Ald. Bohl

3. [101115](#) A substitute ordinance relating to the Second Amendment to the General Planned Development known as Bishop's Creek, for an increase in the number of residential units on the site, on lands located on the south side of West Hampton Avenue and west of North 32nd Street, in the 1st Aldermanic District.
Sponsors: Ald. Hamilton

4. [101103](#) A substitute ordinance relating to the change in zoning from Industrial-Light to Industrial-Mixed, to allow for a greater range of land uses, on lands located on the northeast corner of West Vliet Street and North 4th Street, in the 6th Aldermanic District.
Sponsors: THE CHAIR

5. [101104](#) A substitute ordinance relating to the change in zoning from Industrial-Light to Industrial-Mixed, to allow for a greater range of land uses, on lands located on the north side of West McKinley Avenue and west of North Dr. Martin Luther King Jr. Drive, in the 6th Aldermanic District.
Sponsors: THE CHAIR

6. [100832](#) Resolution approving a final Certified Survey Map for property located on the south side of East North Avenue and west of North Palmer Street, which will create two lots and dedicate land for public purposes, in the 6th Aldermanic District.
Sponsors: THE CHAIR

7. [100886](#) Substitute resolution approving Amendment No. 4 to the Redevelopment Plan for the Park East Redevelopment Project Area, in the 3rd, 4th and 6th Aldermanic Districts.
 Sponsors: Ald. Coggs and Ald. Kovac

9:15 A.M.

8. [101118](#) An ordinance extending the expiration date of zoning code regulations relating to off-premise automatic changeable message signs.
 Sponsors: Ald. Witkowiak
9. [101122](#) Resolution accepting the proposal submitted by Ogden Homes LLC to purchase the City-owned vacant lot at 924 North 25th Street for assemblage with its adjacent property, in the 4th Aldermanic District.
 Sponsors: Ald. Bauman
10. [101231](#) Reappointment of Michael Van Alstine to the Housing Authority by the Mayor. (5th Aldermanic District)
 Sponsors: THE CHAIR

The following items may be placed on file as no longer needed:

11. [100185](#) Resolution amending the Term Sheet for The Moderne project in Tax Incremental District No. 48.
 Sponsors: THE CHAIR
12. [090805](#) Substitute resolution approving the terms of a Cooperation and Development Agreement for the property located at 700 East Kilbourn Avenue, in the 4th Aldermanic District.
 Sponsors: Ald. Bauman

This meeting will be webcast live at www.milwaukee.gov/channel25.

Members of the Common Council and its standing committees who are not members of this committee may attend this meeting to participate or to gather information. Notice is given that this meeting may constitute a meeting of the Common Council or any of its standing committees, although they will not take any formal action at this meeting.

Upon reasonable notice, efforts will be made to accommodate the needs of persons with disabilities through sign language interpreters or auxiliary aids. For additional information or to request this service, contact the Council Services Division ADA Coordinator at 286-2998, (FAX)286-3456, (TDD)286-2025 or by writing to the Coordinator at Room 205, City Hall, 200 E. Wells Street, Milwaukee, WI 53202.

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Persons engaged in lobbying as defined in s. 305-43-4 of the Milwaukee Code of Ordinances are required to register with the City Clerk's Office License Division. Registered lobbyists appearing before a Common Council committee are required to identify themselves as such. More information is available at www.milwaukee.gov/lobby.



Legislation Details (With Text)

File #: 101212 **Version:** 0

Type: Ordinance **Status:** In Committee

File created: 1/19/2011 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: An ordinance relating to the permitted use of rain barrels.

Sponsors: ALD. BOHL

Indexes: BUILDING CODE, FLOOD CONTROL

Attachments: Proposed Substitute A, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
1/19/2011	0	COMMON COUNCIL	ASSIGNED TO		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number
101212
Version
ORIGINAL
Reference

Sponsor
ALD. BOHL
Title

An ordinance relating to the permitted use of rain barrels.

Sections
200-08-71.3 cr
225-4-2.5 cr
Analysis

This ordinance defines a rain barrel as an above-ground prefabricated storage receptacle with an automatic overflow diversion system that collects and stores storm water runoff from the roof of a structure that would have been otherwise routed into a storm drain. A rain barrel must be securely covered, include an inlet screen, have an overflow discharge device and have a convenient and functional means of water withdrawal. The use of a rain barrel is permitted provided the overflow discharge conforms to the requirements of roof rainwater discharge to finished grade or is designed to overflow to a treatment drain or storm water conveyance system. The requirements of roof rainwater discharge to finished grade are as follows:

1. Placement shall be a minimum of 2 feet from a basement or foundation wall of alley property line and 5 feet from all other property lines.

2. Discharge shall flow parallel to or away from the nearest property line.
3. The discharge water shall not discharge to a street, alley or other public way.
4. The discharge water shall not create an icy condition on any pedestrian walkways within or adjacent to the subject premises lot lines.

Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 200-08-71.3 of the code is created to read:

200-08. Definitions.

71.3. RAIN BARREL means an above-ground prefabricated storage receptacle with an automatic overflow diversion system that collects and stores storm water runoff from the roof of a structure that would have been otherwise routed into a storm drain.

Part 2. Section 225-4-2.5 of the code is created to read:

225-4. Drainage of Yard Areas and Roofs.

2.5 RAIN BARRELS. a. Rain Barrels Permitted. Rain barrels, as defined in s. 200-08-71.3, shall be permitted provided that the overflow discharge conforms to the provisions of s. 225-4-2-a, or is designed to overflow to a treatment drain or storm water conveyance system.

b. Requirements. A rain barrel shall be securely covered, include an inlet screen, have an overflow discharge device and have a convenient and functional means of water withdrawal.

LRB

APPROVED AS TO FORM

Legislative Reference Bureau

Date: _____

Attorney

IT IS OUR OPINION THAT THE ORDINANCE

IS LEGAL AND ENFORCEABLE

Office of the City Attorney

Date: _____

Requestor

Department of Neighborhood Services

Drafter

MET

11/1/10

LRB122450-1

..Number
101212
..Version
PROPOSED SUBSTITUTE B
..Reference

..Sponsor
ALD. BOHL

..Title
An ordinance relating to the permitted use of rain barrels.

..Sections
225-4-2.5 cr

..Analysis
This ordinance defines a rain barrel as an above-ground prefabricated storage receptacle with an automatic overflow diversion system that collects and stores storm water runoff from the roof of a structure that would have been otherwise routed into a storm drain. A rain barrel must be securely covered, include an inlet screen, have an overflow discharge device and have a convenient and functional means of water withdrawal. The use of a rain barrel is permitted provided the overflow discharge conforms to the requirements of roof rainwater discharge to finished grade or is designed to overflow to a treatment drain or storm water conveyance system. The requirements of roof rainwater discharge to finished grade are as follows:

1. **Point of discharge** shall be a minimum of 2 feet from a basement or foundation wall of alley property line and 5 feet from all other property lines.
2. Discharge shall flow parallel to or away from the nearest property line.
3. The discharge water shall not discharge to a street, alley or other public way.
4. The discharge water shall not create an icy condition on any pedestrian walkways within or adjacent to the subject premises lot lines.

..Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 225-4-2.5 of the code is created to read:

225-4. Drainage of Yard Areas and Roofs.

2.5 RAIN BARRELS. a. Definition. In this subsection, a rain barrel means an above-ground prefabricated storage receptacle with an automatic overflow diversion system that collects and stores storm water runoff from the roof of a structure that would have been otherwise routed into a storm drain.

b. Rain Barrels Permitted. Rain barrels shall be permitted provided that the overflow discharge conforms to the provisions of s. 225-4-2-a, or is designed to overflow to a treatment drain or storm water conveyance system.

c. Requirements. A rain barrel shall be securely covered, include an inlet screen, have an overflow discharge device **sized to adequately convey overflow to the point of discharge** and have a convenient and functional means of water withdrawal.

..LRB
APPROVED AS TO FORM

Legislative Reference Bureau
Date:_____

..Attorney
IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney
Date:_____

..Requestor

..Drafter
Mary E. Turk
1/31/11
LRB122450-3

..Number
101212
..Version
PROPOSED SUBSTITUTE A
..Reference

..Sponsor
ALD. BOHL

..Title
An ordinance relating to the permitted use of rain barrels.

..Sections
225-4-2.5 cr

..Analysis
This ordinance defines a rain barrel as an above-ground prefabricated storage receptacle with an automatic overflow diversion system that collects and stores storm water runoff from the roof of a structure that would have been otherwise routed into a storm drain. A rain barrel must be securely covered, include an inlet screen, have an overflow discharge device and have a convenient and functional means of water withdrawal. The use of a rain barrel is permitted provided the overflow discharge conforms to the requirements of roof rainwater discharge to finished grade or is designed to overflow to a treatment drain or storm water conveyance system. The requirements of roof rainwater discharge to finished grade are as follows:

1. Placement shall be a minimum of 2 feet from a basement or foundation wall of alley property line and 5 feet from all other property lines.
2. Discharge shall flow parallel to or away from the nearest property line.
3. The discharge water shall not discharge to a street, alley or other public way.
4. The discharge water shall not create an icy condition on any pedestrian walkways within or adjacent to the subject premises lot lines.

..Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 225-4-2.5 of the code is created to read:

225-4. Drainage of Yard Areas and Roofs.

2.5 RAIN BARRELS. a. Definition. In this subsection, a rain barrel means an above-ground prefabricated storage receptacle with an automatic overflow diversion system that collects and stores storm water runoff from the roof of a structure that would have been otherwise routed into a storm drain.

b. Rain Barrels Permitted. Rain barrels shall be permitted provided that the overflow discharge conforms to the provisions of s. 225-4-2-a, or is designed to overflow to a treatment drain or storm water conveyance system.

c. Requirements. A rain barrel shall be securely covered, include an inlet screen, have an overflow discharge device sized to adequately convey overflow to the point of discharge and have a convenient and functional means of water withdrawal.

..LRB
APPROVED AS TO FORM

Legislative Reference Bureau
Date:_____

..Attorney
IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney
Date:_____

..Requestor

..Drafter
Mary E. Turk
1/21/11
LRB122450-3

NOTICES SENT TO FOR FILE 101212:

[illegible]



Legislation Details (With Text)

File #: 101101 **Version:** 1

Type: Ordinance **Status:** In Committee

File created: 12/21/2010 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: A substitute ordinance relating to the change in zoning from Local Business to General Planned Development, for commercial redevelopment, on lands located on the north side of West Silver Spring Drive, south and west of West Appleton Avenue, in the 5th Aldermanic District.

Sponsors: ALD. BOHL

Indexes: ZONING, ZONING DISTRICT 05

Attachments: Exhibit A as of 1-27-11, Exhibit A Continued as of 1-27-11, Proposed Zoning Change Map, Affidavit for Zoning Change, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
12/21/2010	0	COMMON COUNCIL	ASSIGNED TO		
12/23/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
1/14/2011	1	CITY CLERK	PUBLISHED		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number
101101
Version
SUBSTITUTE 1
Reference

Sponsor
ALD. BOHL
Title

A substitute ordinance relating to the change in zoning from Local Business to General Planned Development, for commercial redevelopment, on lands located on the north side of West Silver Spring Drive, south and west of West Appleton Avenue, in the 5th Aldermanic District.

Analysis

This rezoning was requested by Gatlin Development Company, Inc., and will allow for the redevelopment of the site into a community-based retail and commercial development.

Body

The Mayor and Common Council of the City of Milwaukee ("Common Council"), do ordain as follows:

Part 1. There is added to the Milwaukee Code of Ordinances ("Code") a new section to read as follows:

Section 295-907(2) (a).0061.

(1) In accordance with the provisions of Section 295-907(2) of the Code relating to the procedures and establishment of planned development districts, the Common Council approves the subject General Planned Development, a copy of which is attached to this Common Council File as Exhibit A which is on file in the office of the City Clerk and made a part as though fully set forth herein.

(2) The zoning map is amended to change the zoning for the area bounded and described as follows: 10426 West Silver Spring Drive, Tax Key No. 179-0071-000; 10316 West Silver Spring Drive, Tax Key No. 179-0111-000; 10202 West Silver Spring Drive, Tax Key No. 179-0081-000; and 10223 West Appleton Avenue, Tax Key No. 179-0033-000.

(3) The requirements set forth in said general plan attached to this Common Council File as Exhibit A, constitute the zoning regulations for the area contained in such planned development district described, provided further, that the effect of the approval of such general plan is that such plan shall limit and control construction, location, use and operation of all land and structures included within the general plan to all conditions and limitations set forth in such general plan.

Part 2. Any persons, firm, company or corporation owning, controlling or managing any building or premises wherein or whereon there shall be placed or there exists anything in violation of the terms of this ordinance; or who shall build contrary to the plans or specifications submitted to and approved by the Commissioner of the Department of City Development, or any person, firm, company or corporation who shall omit, neglect or refuse to do any act required in this ordinance shall be subject to the penalties provided in Section 200-19 of the Code.

Part 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions. The Common Council declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase or portion irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases or other portions be declared void or invalid.

Drafter
DCD:VLK:kdc
01/07/11

TIMMERMAN PLAZA

GENERAL PLAN PROJECT DESCRIPTION AND OWNER'S STATEMENT OF INTENT (THE "STATEMENT")

Gatlin Development Co., Inc. ("Gatlin") has contracted to purchase significant portions of the Timmerman Plaza Shopping Center, including the former JC Penney anchor store, all in the 5th Aldermanic District of the City of Milwaukee, Wisconsin. Gatlin's contracted parcels include: (i) 10202 West Silver Spring Drive; (ii) 10316 West Silver Spring Drive; (iii) 10426 West Silver Spring Drive; and (iv) 10223 West Appleton Avenue, having a combined gross land area of approximately 24.27 acres (collectively, the "Site"). The Site is legally described on the attached Exhibit A.

The Site is ripe for redevelopment. Currently, approximately 83 percent of the existing store buildings are vacant, as depicted in red on the Detailed Vacancy Plan submitted with this Statement.

Gatlin seeks to redevelop the Site consistent with the Northwest Side Area Plan (the "Plan"). The Plan touts the Northwest Side as an area of "transition from the urban character of Milwaukee to the suburban nature of surrounding communities." The Plan refers to the Northwest Side as "Milwaukee's suburb in the City" with "land patterns that are typical of suburban communities" and "uses that are dependent on the automobile." Gatlin strives to achieve the following planning goals and objectives of the Plan:

- Create a successful retail destination that utilizes existing commercial land and infrastructure.
- Enhance the marketability of the commercial district to promote economic stability and growth.
- Encourage interaction of green space within the redevelopment area.
- Improve interconnectivity and linkages to the Oak Leaf Trail System.
- Make walking safe, attractive and convenient.

More specifically, Gatlin intends to (a) tear down the existing vacated JC Penney building, (b) build a new approximately 148,000 square foot retail building, (c) redesign, rebuild and landscape parking areas, and (d) retain and redevelop several existing retail tenant spaces on the Site. This Statement addresses the overall project that Gatlin intends to undertake and supplements the General Planned Development application submitted by Gatlin for the Site.

1. Uses. Permitted uses at the Site will remain consistent with the permitted uses under the Local Business District 1 (LB1) zoning in effect on the date of this

Statement and as the same may be expanded (but not limited) in the future. Specifically, the following permitted uses are contemplated to be continued or implemented:

- banks or other financial institutions;
- general retail establishments, including but not limited to grocery stores, liquor stores, drug stores, butcher shop, delicatessens, portrait studios, furniture or appliance retail establishments, video rental or sales businesses, and other ancillary and/or accessory uses such as various financial services, medical services, etc.;
- garden supply or landscaping centers;
- personal services;
- business services;
- dry cleaning establishments;
- motor vehicle repair facilities, provided however (i) all motor vehicles must be stored overnight outside of public view, (ii) all outdoor storage of auto parts, tires, or nuisance vehicles is prohibited, and (iii) all repair work must be conducted within a building;
- sit down/fast food/carryout restaurants;
- drive-through facilities;
- indoor recreation facilities; and
- related ancillary and accessory uses.

Unless authorized by subsequent amendment or minor modification, hours that any establishment may be open to the public shall be restricted between 6 a.m. to midnight, except that 24 hour retail sales are authorized on the day after Thanksgiving (Black Friday) each year.

2. Design Standards. The following design standards and objectives described in the recommendation for "Timmerman Plaza, Option 1" in the Plan will be addressed:

- Improving land value.
- Improving the character of the Site.
- Landscaping parking lots and separating parking lots into smaller sections with pedestrian walkways.
- Improving facades of existing commercial buildings.
- Creating landscape features along the edge of the Site.

Unarticulated walls in new buildings facing Silver Spring shall not be permitted. Upgraded building materials such as decorative masonry and block, brick, stone, glass, architecturally finished metal cladding and architectural pre-cast panels shall be encouraged. Mechanical units and loading areas shall be screened from public view.

In addition, the new anchor building replacing the existing vacant JC Penney building will incorporate sustainable features such as: a daylight harvesting system, occupancy sensors in non-sales areas, energy saving light emitting diodes (LEDs) in signs and refrigerated food cases, a centralized energy management system, a "white" membrane roof and recycling of metals, woods, floor and ceiling tiles, concretes, asphalt and other materials generated during demolition and construction. The proposed design elements and standards for the Site will be reflected in all plans submitted for the Site. The Proposed Elevations submitted with this Statement are conceptual only.

3. Density. The 173,318 square foot vacant JC Penney building will be replaced by an approximately 148,000 square foot new building, resulting in a reduction in overall building square footage at the Site.

4. Space Between Structures. Spaces between structures are depicted on the Site Plan included with this Statement. In no event shall spaces between structures be less than that required by applicable provisions of the City's current building code.

5. Setbacks. Setbacks are depicted on the Site Plan, and setback areas will be landscaped consistent with the landscaping standards described herein.

6. Screening. As depicted on the Site Plan and described below, a greenspace buffer will be maintained along the perimeter of the Site. In addition, the loading area for the new anchor building will be screened from the north by landscaped areas and a stormwater management pond.

7. Open Spaces. As described above, the overall decrease in the Site's density will provide greater open space. Open space areas other than drive aisles and parking areas will be landscaped consistent with the landscaping standards described below.

8. Circulation, Parking and Loading. Vehicular and pedestrian access will be provided to and from the Site primarily off of West Silver Spring Drive. Truck traffic will be encouraged to access the Site from West Appleton Avenue. In addition, the Site will be improved with direct access to and from the Oak Leaf Trail bike path on the Site's western boundary. Bike racks will be located near the entrance of the new anchor building.

At least 3.0 parking spaces per 1,000 building square feet, but not more than 5.0 parking spaces per 1,000 building square feet, shall be maintained at the Site consistent with the Site Plan. Shared parking areas shall be encouraged. Each retail space of 10,000 square feet or greater shall be serviced by at least one loading space. All loading activities will occur on-Site outside of public rights of way.

9. Landscaping. As generally depicted on the Site Plan and Preliminary Landscape Plan included with this Statement, the proposed redevelopment of the Site includes landscaped setback areas and the addition of more than 40,000 square feet of landscaping within the parking areas. The Preliminary Landscape Plan for the Site generally depicts the location, number, size and type of proposed plantings. Landscaped areas for the entire Site will increase by approximately 2.5 acres. All proposed vegetation will be of a quality consistent with the standards of the American Association of Nurserymen and will be maintained on an on-going basis. To the extent possible, the following landscape standards shall be addressed:

- Maintain at least a 5 foot wide perimeter landscape strip around edges of the entire shopping center, except to the extent the Site's boundaries traverse through existing parking lots or perimeter landscaping would obstruct safe traffic circulation.
- Articulate main drive aisles with landscaped curbed islands.
- Incorporate interior landscaped curbed islands, including deciduous trees, into surface parking lots.

It bears noting that Gatlin is not authorized to upgrade areas in the parking lot delineated "Pick N Save Easement Area" without Pick N Save's approval. At this point, Pick N Save has not approved of any parking lot upgrades in their easement area.

10. Lighting. Lighting at the Site will comply with applicable City codes and ordinances. All lighting shall minimize glare onto adjoining properties and shall not be intermittent. Light poles within parking areas may not exceed 30 feet in height. Lower height pedestrian lighting shall be encouraged along pedestrian walkways.

11. Utilities. All new utility lines shall be installed underground. Transformers and substations shall be installed within buildings or otherwise screened from view.

12. Signs and Sign Illumination. All signage at the Site will be consistent with a community-based retail and commercial development. Existing signs, including existing pylon signs may remain in place, but pylon signs shall be converted to monument signs when redeveloped. New freestanding monument signs may be located at main vehicular entrances to the Site. Building Wall signs shall be Type "A" Wall Signs, consistent with Code Section 295-407-1(b-2). Up to 60 square feet of wall sign area shall be permitted for every 25 feet of lineal building foot. Additional directional and way-finding signage may be permitted as recommended by City staff.

Minor modifications may occur to the plans included with this Statement.

EXHIBIT A

Legal Description

A DIVISION OF CSM 3763, CSM 5534, CSM 3128 AND CSM 4065 BEING A PART OF THE SW ¼, SE ¼, NW ¼ AND THE NE ¼ OF THE SW ¼ OF SECTION 29, T 8 N, R 21 E, IN THE CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN, WHICH IS BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE SW ¼ OF SAID SECTION 29; THENCE NORTH 88°09'00" EAST ALONG THE SOUTH LINE OF SAID ¼ SECTION 798.28 FEET TO A POINT; THENCE NORTH 01°51'00" WEST 60.00 FEET TO A POINT ON THE NORTH LINE OF WEST SILVER SPRING DRIVE AND THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED; THENCE CONTINUING NORTH 01°51'00" WEST 215.00 FEET TO A POINT; THENCE NORTH 58°08'50" WEST 297.88 FEET TO A POINT; THENCE SOUTHWESTERLY 63.30 FEET ALONG THE ARC OF A CURVE WHOSE CENTER IS TO THE NORTH, WHOSE RADIUS IS 50.00 FEET AND WHOSE CHORD BEARS SOUTH 85°34'57" WEST 59.16 FEET TO A POINT; THENCE NORTH 58°08'50" WEST 90.00 FEET TO A POINT; THENCE NORTH 31°51'10" EAST 1039.85 FEET TO A POINT ON THE SOUTHERLY LINE OF THE CHICAGO, NORTHWESTERN TRANSPORTATION COMPANY RAILROAD RIGHT OF WAY; THENCE NORTH 75°36'00" EAST ALONG SAID RAILROAD RIGHT OF WAY LINE 377.32 FEET TO A POINT; THENCE SOUTH 45°33'30" EAST 350.12 FEET TO A POINT; THENCE SOUTH 44°26'30" WEST 157.12 FEET TO A POINT; THENCE SOUTH 31°55'42" EAST 639.05 FEET TO A POINT; THENCE SOUTH 88° 09'00" WEST AND PARALLEL WITH THE SOUTH LINE OF SAID ¼ SECTION 352.13 FEET TO A POINT; THENCE SOUTH 01°51'00" EAST 460.00 FEET TO A POINT ON THE NORTH LINE OF WEST SILVER SPRING DRIVE; THENCE SOUTH 88°09'00" WEST ALONG SAID NORTH LINE AND PARALLEL WITH SOUTH LINE OF SAID ¼ SECTION 325.00 TO A POINT; THENCE NORTH 27°41'20" EAST 34.48 FEET TO A POINT; THENCE NORTH 01°51'00" WEST 150.00 FEET TO A POINT; THENCE SOUTH 88°09'00" WEST AND PARALLEL WITH THE SOUTH LINE OF SAID ¼ SECTION 330.00 FEET TO A POINT; THENCE SOUTH 01°51'00" EAST 180.00 FEET TO A POINT ON THE NORTH LINE OF WEST SILVER SPRING DRIVE; THENCE SOUTH 88°09'00" WEST ALONG SAID NORTH LINE AND PARALLEL WITH SOUTH LINE OF SAID ¼ SECTION 22.00 FEET TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 1,057,072 SQUARE FEET, 24.27 ACRE, MORE OR LESS.

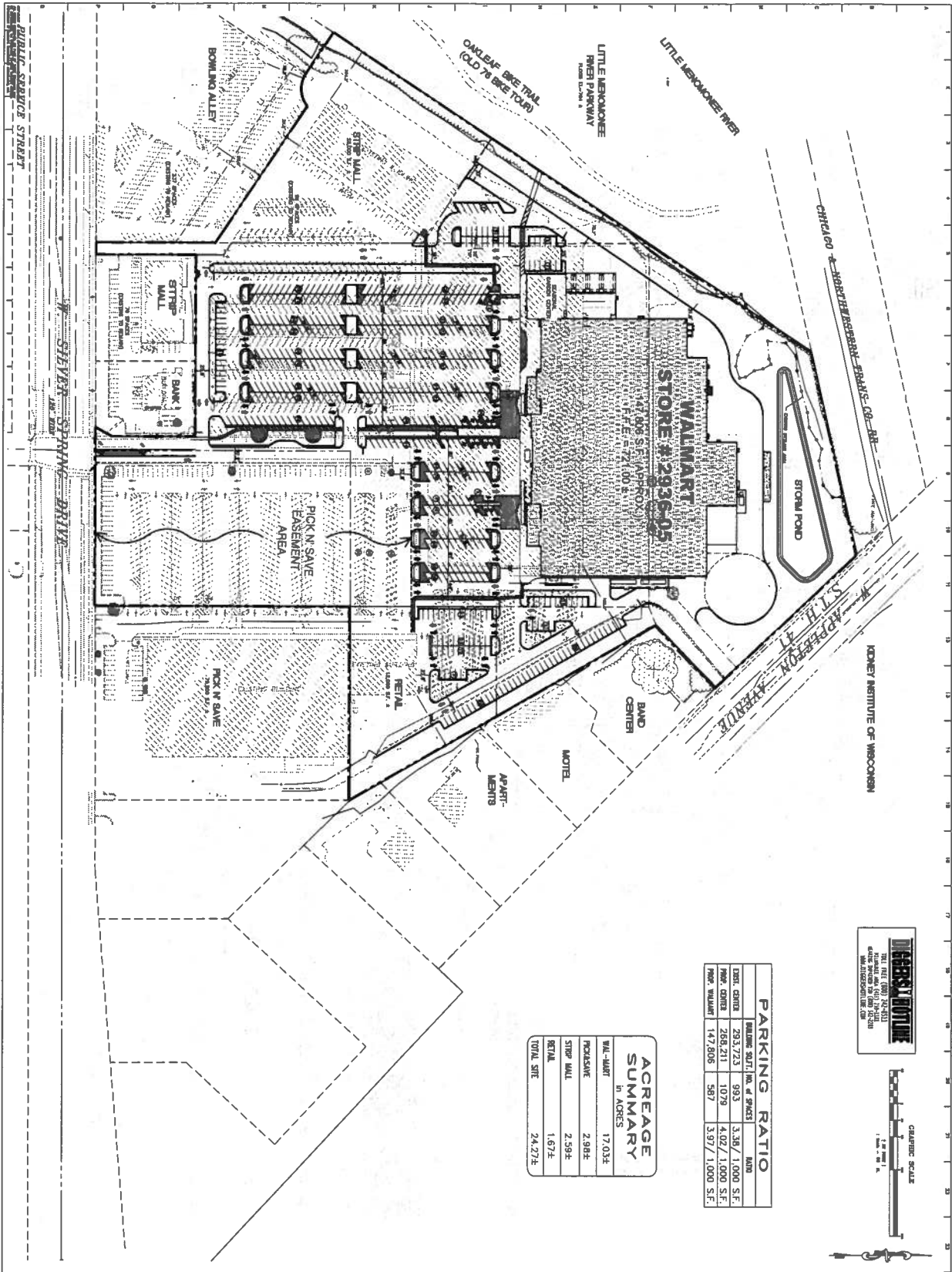
**TIMMERMAN PLAZA
GENERAL PLANNED DEVELOPMENT
STATISTICAL SHEET**

<u>STATISTICAL COMPARISONS</u>	<u>SQUARE FEET</u>	<u>ACRES</u>	<u>% OF TOTAL</u>
Gross Land Area	1,057,060.87	24.27	100%
Land Covered by Principal Buildings	191,454.31	4.40	18.1%
Land Devoted to Parking, Drives and Parking Structures	675,200.23	15.5	63.9%
Land Devoted to Landscaped Open Space	190,406.33	4.37	18.0%
Total Square Footage Devoted to Nonresidential Uses	1,057,060.87	24.27	100%

<u>SUMMARY INFORMATION</u>	<u>NUMBER</u>
Proposed Number of Buildings	3, provided the same may be divided into multiple tenant spaces
Dwelling Units Per Building	0
Bedrooms Per Dwelling Unit	N/A
Parking Spaces Provided	Between 1050 and 1100 surface spaces
Ratio Parking Space Per 1,000 Sq. Ft. of Building Area	Not less than 3.0 spaces and not more than 5.0 spaces per 1,000 square feet of building area







DISCLAIMER
THIS PLAN IS A PRELIMINARY
DRAWING AND IS NOT TO BE
USED FOR CONSTRUCTION
OR ANY OTHER PURPOSE
WITHOUT THE WRITTEN
CONSENT OF THE
DESIGNER.



PARKING RATIO			
TYPE	AREA (S.F.)	NO. OF SPACES	Ratio
STREET PARKING	293,723	993	3.36 / 1,000 S.F.
LOT PARKING	288,211	1,079	4.02 / 1,000 S.F.
TOTAL PARKING	581,934	2,072	3.69 / 1,000 S.F.

ACREAGE SUMMARY	
Item	Acres
WAL-MART	17.03±
PICK N SAVE	2.98±
STREET PARKING	2.59±
LOT PARKING	1.67±
TOTAL SITE	24.27±

REVISIONS	
NO.	DESCRIPTION
1	AS SHOWN

Walmart

McClure
Engineering & Architecture, Inc.

SITE PLAN
Walmart Store No. 2936-05
100 S. Appleton Ave., Chicago, IL 60607
DATE: 10/10/00
BY: [Signature]

[illegible]

YEAR ONE

THE FIRST YEAR OF THE PROGRAM IS A CRUCIAL PERIOD IN WHICH THE STUDENT MUST ACQUIRE THE BASIC KNOWLEDGE AND SKILLS REQUIRED FOR THE SUBSEQUENT YEARS. THE CURRICULUM IS DESIGNED TO PROVIDE A SOLID FOUNDATION IN THE THEORY AND PRACTICE OF THE PROFESSION. THE STUDENT WILL BE REQUIRED TO TAKE A SERIES OF COURSES THAT COVER THE ESSENTIAL ASPECTS OF THE FIELD, INCLUDING:

- **FOUNDATIONAL COURSES:** These courses provide the student with the basic knowledge and skills required for the profession. They include:
- **Mathematics:** The student will study the principles of algebra, geometry, and trigonometry.
- **Science:** The student will study the principles of physics and chemistry.
- **History:** The student will study the principles of American history and government.
- **Language:** The student will study the principles of English grammar and composition.
- **Art:** The student will study the principles of drawing and painting.
- **Music:** The student will study the principles of music theory and performance.
- **Physical Education:** The student will study the principles of physical fitness and health.
- **Foreign Language:** The student will study the principles of a foreign language, such as Spanish or French.

YEAR TWO

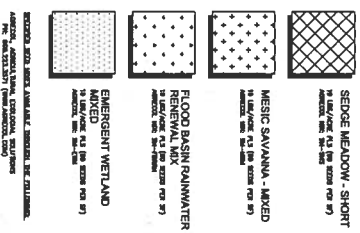
THE SECOND YEAR OF THE PROGRAM IS A CRUCIAL PERIOD IN WHICH THE STUDENT MUST ACQUIRE THE BASIC KNOWLEDGE AND SKILLS REQUIRED FOR THE SUBSEQUENT YEARS. THE CURRICULUM IS DESIGNED TO PROVIDE A SOLID FOUNDATION IN THE THEORY AND PRACTICE OF THE PROFESSION. THE STUDENT WILL BE REQUIRED TO TAKE A SERIES OF COURSES THAT COVER THE ESSENTIAL ASPECTS OF THE FIELD, INCLUDING:

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- **Art:** The student will study the principles of drawing and painting.
- **Music:** The student will study the principles of music theory and performance.
- **Physical Education:** The student will study the principles of physical fitness and health.
- **Foreign Language:** The student will study the principles of a foreign language, such as Spanish or French.

YEARS THREE - FIVE

THE THIRD, FOURTH, AND FIFTH YEARS OF THE PROGRAM ARE CRUCIAL PERIODS IN WHICH THE STUDENT MUST ACQUIRE THE BASIC KNOWLEDGE AND SKILLS REQUIRED FOR THE SUBSEQUENT YEARS. THE CURRICULUM IS DESIGNED TO PROVIDE A SOLID FOUNDATION IN THE THEORY AND PRACTICE OF THE PROFESSION. THE STUDENT WILL BE REQUIRED TO TAKE A SERIES OF COURSES THAT COVER THE ESSENTIAL ASPECTS OF THE FIELD, INCLUDING:

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- **Music:** The student will study the principles of music theory and performance.
- **Physical Education:** The student will study the principles of physical fitness and health.
- **Foreign Language:** The student will study the principles of a foreign language, such as Spanish or French.



1. NAME OF THE PARTY OR PERSON THE UNITED STATES OF AMERICA

2. ADDRESS WASHINGTON, D.C. 20540

3. DATE OF BIRTH 1945

4. DATE OF DEATH 1945

5. DATE OF BIRTH 1945

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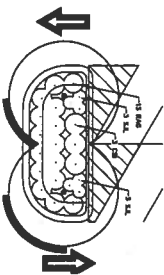
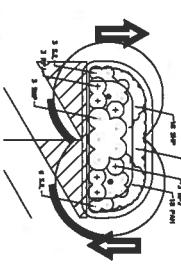
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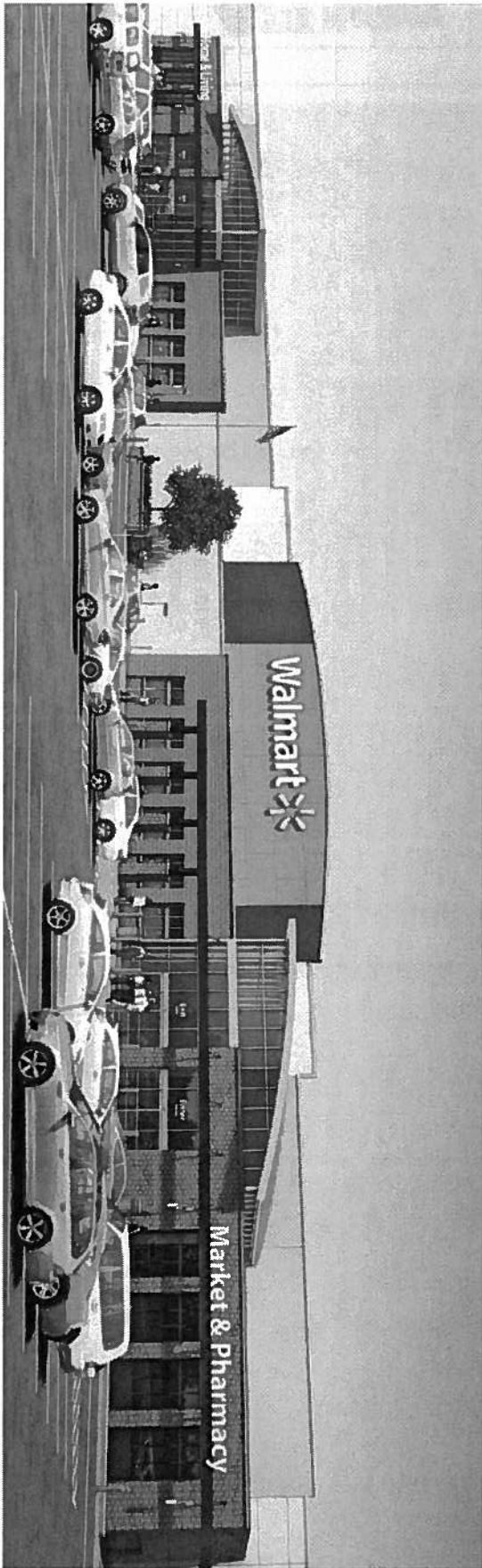
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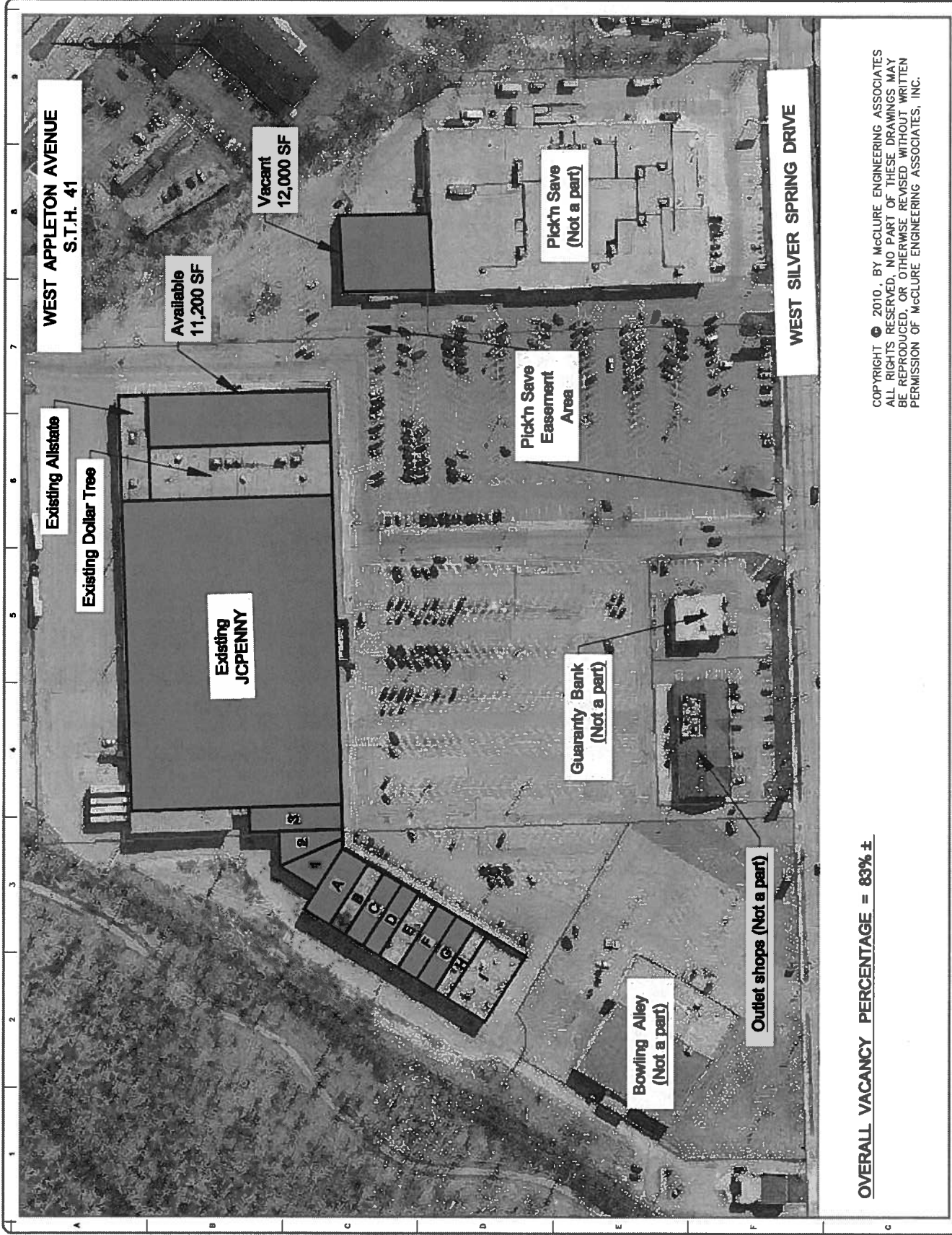
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OVERALL VACANCY PERCENTAGE = 83% ±

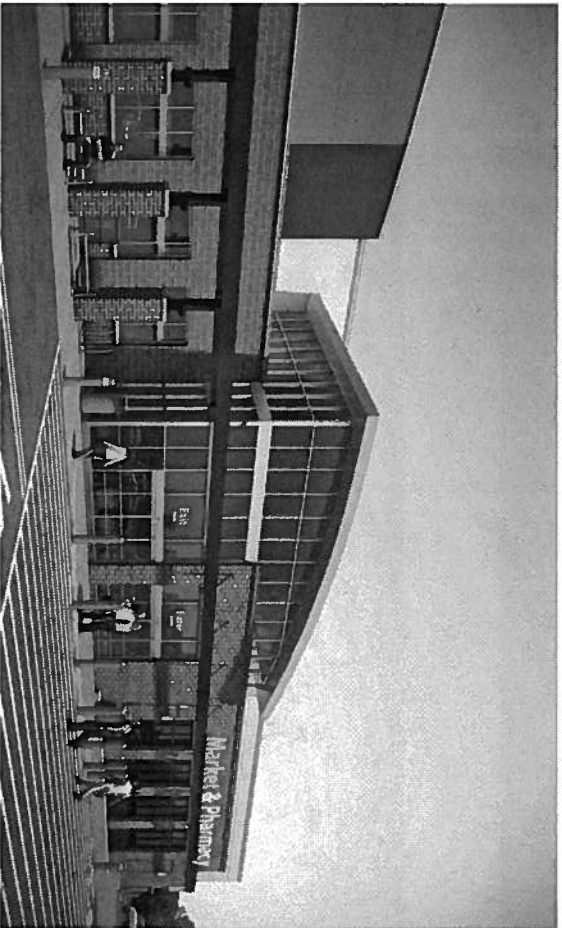
COPYRIGHT © 2010, BY MCCLURE ENGINEERING ASSOCIATES
ALL RIGHTS RESERVED, NO PART OF THESE DRAWINGS MAY
BE REPRODUCED, OR OTHERWISE REVISED WITHOUT WRITTEN
PERMISSION OF MCCLURE ENGINEERING ASSOCIATES, INC.

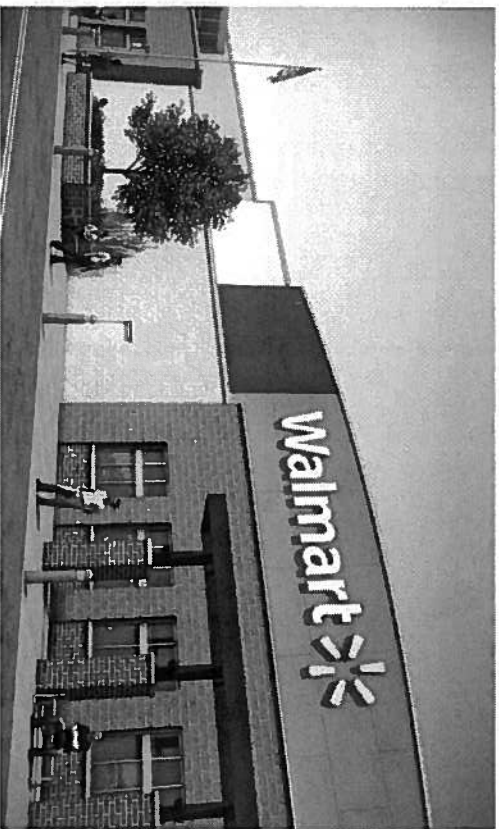
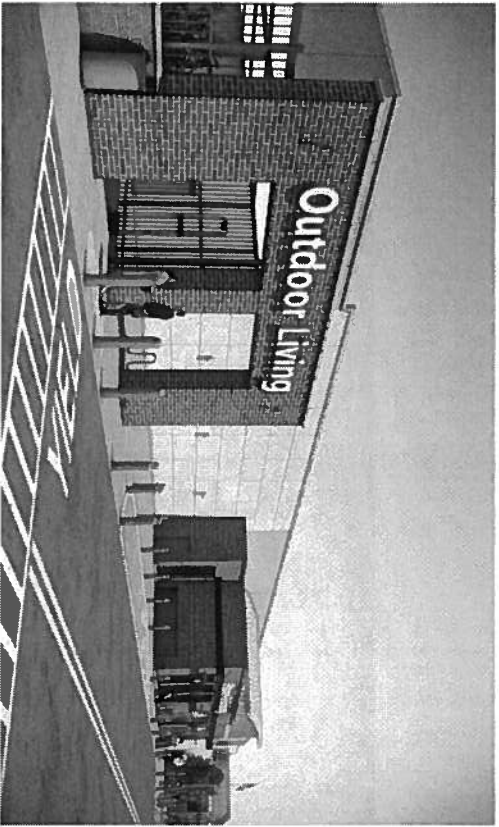
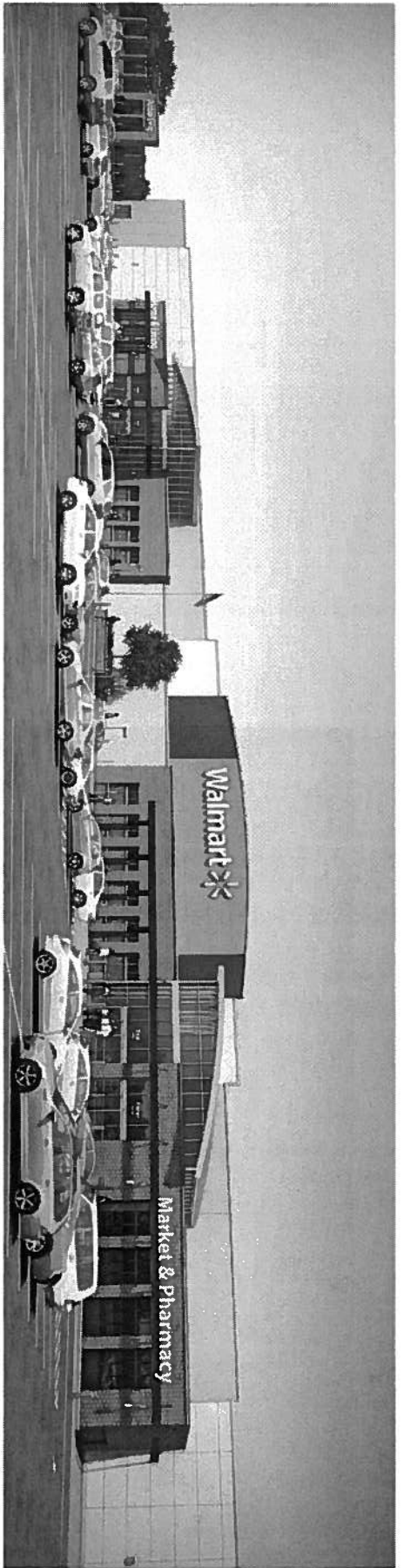
SHEET
P-1

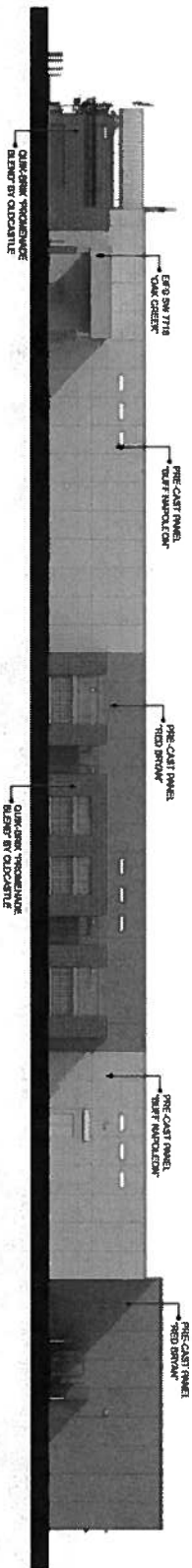
WAL-MART STORE NO. 2936-05
W. SILVER SPRING DRIVE, MILWAUKEE, WI
2001 SE 10th STREET, BENTONVILLE, AR 72716



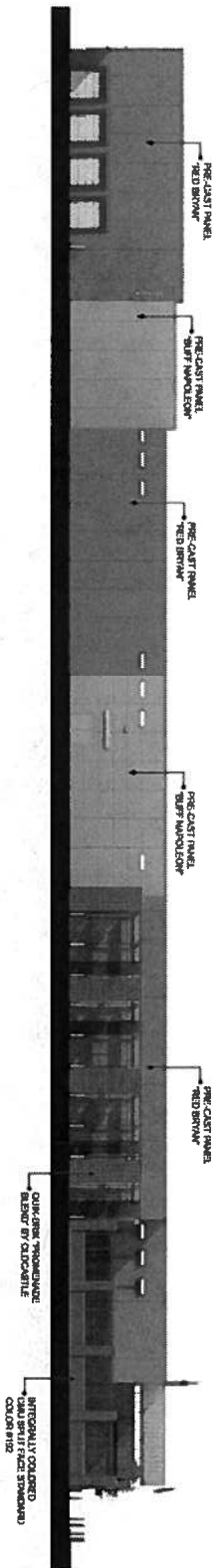
DETAILED VACANCY PLAN
OF DEVELOPMENT PARCEL
DATE: DECEMBER 14, 2010







Right Elevation



Left Elevation

[illegible]

Blue Box

FINE CLART PANELS
WOOD BRICK


FINE CLART PANELS
WOOD BRICK

FINE CLART PANELS
WOOD BRICK





FINE CLART PANELS
WOOD BRICK

WOOD BRICK
WOOD BRICK

**FN 101101
LB1 to GPD
January 2011**

 Proposed Zoning Change




Residential Districts

-  Single Family (RS1-6)
-  Two-Family (RT1-4)
-  Multi-Family (RM1-7)
-  Residential and Office (RO1-2)

Commercial Districts

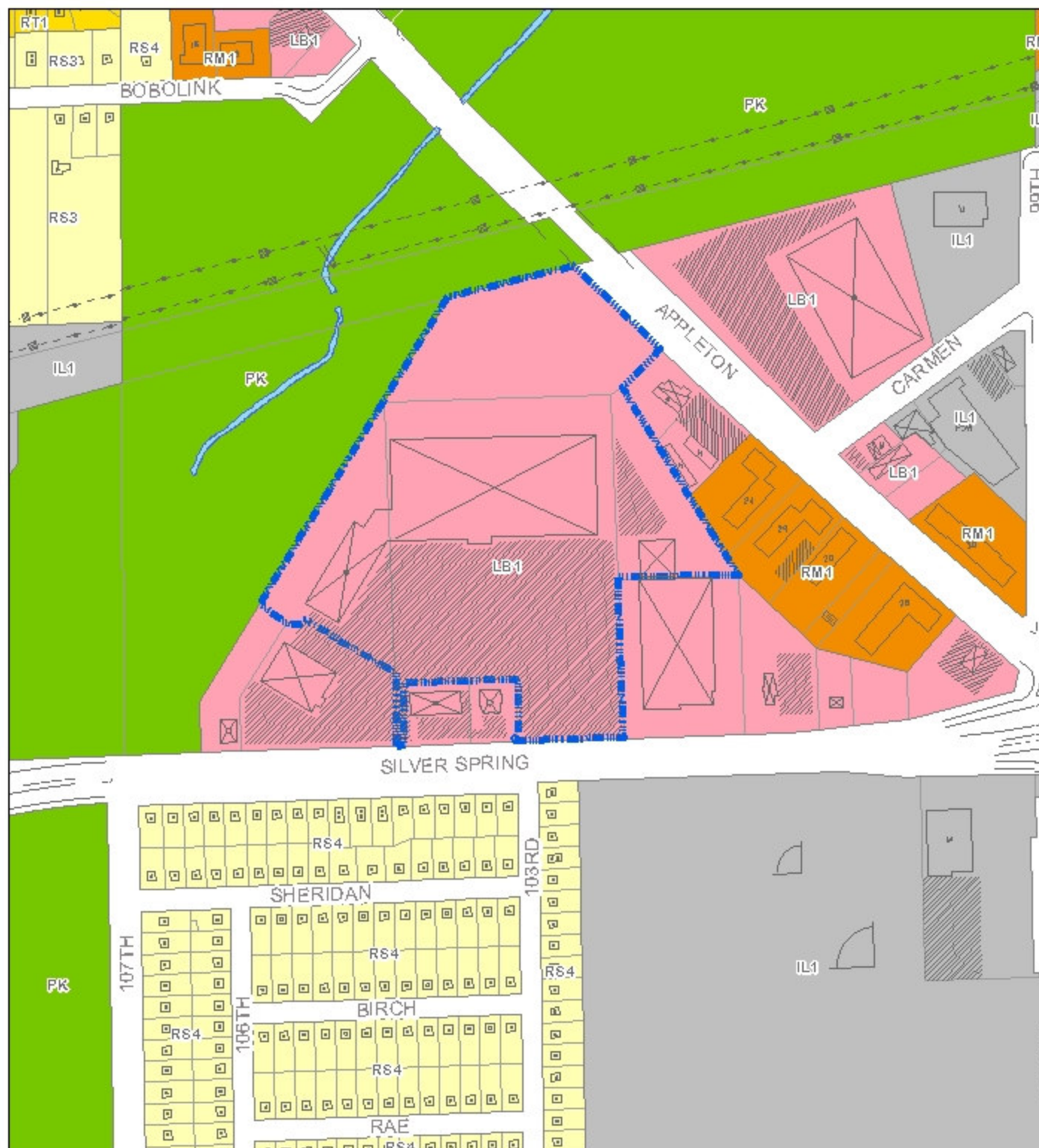
-  Neighborhood Shopping (NS1-2)
-  Local Business (LB1-2)
-  Commercial Service (CS)
-  Regional Business (RB1-2)
-  Central Business (C9A-C9H)

Industrial Districts

-  Industrial - Office (IO)
-  Industrial - Light (IL1-2)
-  Industrial - Mixed (IM)
-  Industrial - Heavy (IH)

Special Districts

-  Parks (PK)
-  Institutional (TL)
-  Planned Development (PD, DPD)
-  Redevelopment (RED)



Data source: Department of City Development 2010

10426, 10316, 10202
Address of parcel(s): ~~10400~~ West Silver Spring Dr. 10223 w. Appleton A

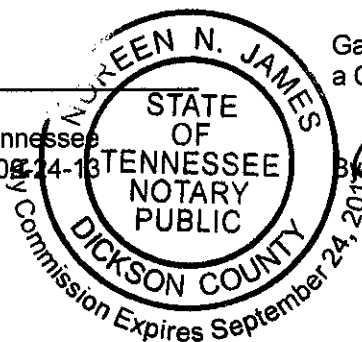
Affidavit for Zoning Change

1. POLICY (s. 295-313). Each applicant for a zoning map amendment or approval of a planned development, and each applicant for a use variance or special use permit, shall submit to the city plan commission or the board of zoning appeals, as the case may be, a signed affidavit indicating whether the applicant is: (NOTE: DISCLOSE ALL RELEVANT AND REQUIRED INFORMATION ON A SEPARATE SHEET AND ATTACH TO THIS SHEET UPON SUBMITTAL)
- a. Delinquent in the payment of any property tax, special assessment, special charge or special tax due to the city, provided that all appeals of the tax, assessment or charge have been concluded or the time to appeal has expired. YES ☐ NO ☒
 - b. A party against whom the city has an outstanding judgment, provided that all appeals of the judgment have been concluded or the time to appeal has expired. YES ☐ NO ☒
 - c. A party against whom the city has outstanding health or building and zoning code violations or orders from the commissioner of health or commissioner of neighborhood services that are not actively being abated, provided that all appeals of orders to correct violations have been concluded or the time to appeal has expired. YES ☐ NO ☒
 - d. A party who has been convicted of violating an order of the commissioner of health or commissioner of neighborhood services within the past year, provided that all appeals of the conviction have been concluded or the time to appeal has expired. YES ☐ NO ☒
 - e. The owner of premises found to be in violation of s. 80-10 to whom the commissioner of neighborhood services has charged the costs of police enforcement pursuant to s. 80-10-4, provided that all appeals of these charges have been concluded or the time to appeal has expired. YES ☐ NO ☒
2. NON-INDIVIDUAL APPLICANTS
- a. Corporations. If the applicant is a corporation, a duly authorized officer or director of the corporation shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each officer and director of the corporation as well as each shareholder owning 5% or more of voting stock, fits any of the descriptions in sub. 1-a to e.
 - b. Partnerships. If the applicant is a partnership or limited partnership, a duly authorized partner, general partner or limited partner shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each partner, general partner and limited partner fits any of the descriptions in sub. 1-a to e.
 - c. Limited Liability Companies. If the applicant is a limited liability company, a duly authorized member or manager of the company shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each member and manager of the company fits any of the descriptions in sub. 1-a to e.
 - d. Nonstock Corporations. If the applicant is a nonstock corporation, a duly authorized officer or director of the corporation shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each officer and director of the corporation fits any of the descriptions in sub. 1-a to e.

Dated at Dickson, Tennessee this eighth day of December 2010.

Subscribed and sworn to before me
this eighth day of 2010.

Noreen N. James
Notary Public, State of Tennessee
My commission expires: 09-24-13



Petitioner:

Gatlin Development Co., Inc.,
a California corporation


Loren K. Van Der Slik, President

Office Use Only: File no. 101101

The undersigned, being duly sworn, deposes and says:

1. I am authorized representative of Gatlin Development Co., Inc., the contract purchaser of 10400 West Silver Spring Drive, Milwaukee, Wisconsin.

2. Gatlin Development Co., Inc. is not:

a. delinquent in the payment of any property tax, special assessment, special charge or special tax due to the City of Milwaukee (the "City");

b. a party against whom the City has an outstanding judgment;

c. a party against whom the City has outstanding health or building and zoning code violations or orders from the commissioner of health or commissioner of neighborhood services that are not actively being abated;

d. a party who has been convicted of violating an order of the City's commissioner of health or commissioner of neighborhood services within the past year; and

e. the owner of a premises found to be in violation of s. 80-10 to whom the City's commissioner of neighborhood services has charged the costs of police enforcement, pursuant to s. 80-10-4.

Dated this 8th day of December, 2010.

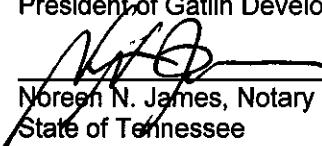
GATLIN DEVELOPMENT CO., INC.,
a California corporation

By: 

Loren K. Van Der Slik, President

State of Tennessee)
):SS
County of Dickson)

This instrument was acknowledged before me on December 8, 2010, by LOREN K. VAN DER SLIK as President of Gatlin Development Co., Inc.


Noreen N. James, Notary Public
State of Tennessee

My commission expires: 09-24-13



NOTICES SENT TO FOR FILE 101101:

[illegible]



Legislation Details (With Text)

File #: 101115 **Version:** 1

Type: Ordinance **Status:** In Committee

File created: 12/21/2010 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: A substitute ordinance relating to the Second Amendment to the General Planned Development known as Bishop's Creek, for an increase in the number of residential units on the site, on lands located on the south side of West Hampton Avenue and west of North 32nd Street, in the 1st Aldermanic District.

Sponsors: ALD. HAMILTON

Indexes: PLANNED UNIT DEVELOPMENTS, ZONING, ZONING DISTRICT 01

Attachments: Exhibit A as of 1-27-11, Proposed Zoning Change Map, Affidavit for Zoning Change, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
12/21/2010	0	COMMON COUNCIL	ASSIGNED TO		
12/23/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
1/14/2011	1	CITY CLERK	PUBLISHED		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number
101115
Version
SUBSTITUTE 1
Reference

Sponsor
ALD. HAMILTON
Title

A substitute ordinance relating to the Second Amendment to the General Planned Development known as Bishop's Creek, for an increase in the number of residential units on the site, on lands located on the south side of West Hampton Avenue and west of North 32nd Street, in the 1st Aldermanic District.

Analysis

This zoning change was requested by the Bishop's Creek Community Development Corporation to allow for an increase in the number of residential units on the site.

Body

The Mayor and Common Council of the City of Milwaukee ("Common Council"), do ordain as follows:

Part 1. There is added to the Milwaukee Code of Ordinances ("Code") a new section to read as follows:

Section 295-907(2) (a).0060.

(1) In accordance with the provisions of Section 295-907(2) of the Code relating to the procedures and establishment of planned development districts, the Common Council approves the subject amended General Planned Development, a copy of which is attached to this Common Council File as Exhibit A which is on file in the office of the City Clerk and made a part as though fully set forth herein.

(2) The zoning map is amended to change the zoning for the area bounded and described as follows: 3200 West Hampton Avenue, Tax Key No. 207-9982-000; 3201 West Hampton Avenue, Tax Key No. 230-0328-110; 4705 North 32nd Street, Tax Key No. 230-0691-000; 4765 North 32nd Street, Tax Key No. 230-0692-000; and 4769 North 32nd Street, Tax Key No. 230-0692-000.

(3) The requirements set forth in said general plan attached to this Common Council File as Exhibit A, constitute the zoning regulations for the area contained in such planned development district described, provided further, that the effect of the approval of such general plan is that such plan shall limit and control construction, location, use and operation of all land and structures included within the general plan to all conditions and limitations set forth in such general plan.

Part 2. Any persons, firm, company or corporation owning, controlling or managing any building or premises wherein or whereon there shall be placed or there exists anything in violation of the terms of this ordinance; or who shall build contrary to the plans or specifications submitted to and approved by the Commissioner of the Department of City Development, or any person, firm, company or corporation who shall omit, neglect or refuse to do any act required in this ordinance shall be subject to the penalties provided in Section 200-19 of the Code.

Part 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions. The Common Council declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase or portion irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases or other portions be declared void or invalid.

Drafter

DCD:VLK:kdc

01/07/11

Second Amendment to the General Plan Development Submittal -FN 101115

City of Milwaukee:

Development Center

Amended December 17, 2010

File Number: 101115

Property Location:

4769 North 32nd Street, Milwaukee, WI 53209 (formerly 4763 North 32nd St.)

Tax key # 230-0328-100-0

Project Team

Developer/Sponsor:

Bishop's Creek Community Development Corporation

Architect:

Thomas Kloiber & Associates

Second Amendment

Please include the following information as an addendum to the currently submitted and approved General Plan Development on file at the Department of City Development:

Related to the Bishop's Creek Redevelopment Project, Bishop's Creek Community Development Corporation requests the addition of a maximum number of 26 residential units to the remainder of the site, thus increasing unit density therein. The initial number of residential units to be included is 16. These initial units will be designated in the mixed use structure along Hampton Avenue slated to include hotel, office, and retail spaces. The proposed hotel will be housed on floors 2-5 on the north section the mixed used building. Office/Retail space will be housed on the floor 1 and sections of floor 2 of the mixed use building, and the residential units will be housed on the floors 4-5 on the south section of the mixed use building. The other proposed 10 units will be allocated to future use on site/development footprint.

Bishop's Creek Developed Area (Phase III Hotel/Office/Retail/Residential-- South of Hampton):

- | | |
|--|---|
| 1. Gross Land Area: | 55,295 s.f. = 1.27 |
| 2. Land Covered by Principal Buildings | 24,790 s.f. = 2.35 acres
(5 floors = 123,950 s.f.) |
| 3. Land Devoted to parking, drives | *See approved GDP on file |
| 4. Land Devoted to Landscape Open Space | 39,631 s.f. = 0.90 acres |
| 5. Proposed Dwelling Unit Density | 12.6 units/acre |
| 6. Proposed Number of Residential Buildings | One (1)-within mixed use bldg |
| 7. Dwelling units per building | Sixteen (16) Initially |
| 8. Bedrooms per unit | One (1) |
| 9. Parking Spaces provided grade, on street: | *See initial approved GDP on file. |

PREVIOUSLY APPROVED



205 W. Highland, Suite 303
Milwaukee, WI 54203
Phone: (414) 271-1812
Fax: (414) 271-1830

General Plan Development Submittal

City of Milwaukee:
Development Center
Amended May 27th 2008

Property Location:
4763 N 32nd Street, Milwaukee, WI 53209
Tax key # 230-0328-100-0

Project Team

Developer/Sponsor:
Bishop's Creek Community Development Corporation

Architect:
Barrientos Design and Consulting INC

Legal Counsel:
Quarles and Brady, LLC

General Plan Project Description and Owner's Statement of Intent

1. Components of General Plan and Supporting Materials

Bishop's Creek requests that the zoning be amended to a General Planned Development (GPD) in accordance with this document. Bishop's Creek will be redeveloping the underlying property over the next five to seven years. This statement, together with the accompanying plan sheets and related materials, identified below, constitutes and supports the General Development Plan:

Plan Sheets
Boundary Map
Statistical Sheets
Phasing Schedule
Project Team

2. Overall Development Concept

Through this comprehensive GPD, Bishop's Creek is proposing a major renovation and redevelopment of a former two city-block tannery complex, now sitting devastated by a major fire. Bishop's Creek Community Development Corporation the sponsor and developer of Bishop's Creek, proposes to enhance the community through improved housing, employment and educational opportunities utilizing this project as a catalyst for hope and renewal. Further commitment to this endeavor includes the rehabilitation or

new construction of 120-150 single family residences within the contiguous area over the next five to seven years. Work on that endeavor has already begun.

3. Project Overview

The intended uses of both the renovated and new buildings incorporate the following:

Residential – Multi-family and senior housing (no licensure)

Office

General Retail

Artist Studio

Cultural Center

Multi-purpose Conference Center

Restaurant – Type A – Sit-down

Community Center

Hotel

Principal Surface Parking, and Accessory Parking

Accessory uses to permitted principal uses

These uses will take place within the project which is bounded by an elevated multi-track railroad line both to the west and the north sides of the property, 32nd Street in visual combination with Lincoln Creek on the east side of the property, and Lincoln Creek on the south side of the property.

Access to the property is available along both 32nd Street and West Hampton Avenue. No access is available to the property along the west side due to the elevated multi-track railroad line, and no access is available along the south side due to Lincoln Creek.

In addition 17 single and multi family housing units will be developed just to the west of the tracks on N. 34th Street.

The Developer/Sponsor proposes that in Phase Five (on the North side of Hampton Avenue), that a newly-constructed Office-Retail Building as well as its adjacent parking will be linked to the Hampton Avenue Office-Retail Building on the South side of Hampton Avenue via an enclosed skywalk over West Hampton Avenue.

4. Project Areas Synopsis

The synopsis is broken into two separate entities, break downs are shown for the Common Bond and the Bishop Creek Developments separately.

Common Bond Developed Area:

1. Gross Land Area:	65,720 s.f. = 1.50 acres
2. Land Covered by Principal Buildings	35,660 s.f. = 0.81 acres
3. Land Devoted to Parking, Drives and Parking Structures	30,060 s.f. = 0.69 acres
4. Land Devoted to Landscape Open Space	4,650 s.f. = 0.11 acres
5. Proposed Dwelling Unit Density	1:1.84 (based on 20,000 residential footprint) 1:1.09 (based on 60,000 total residential in building)
6. Proposed Number of Residential Buildings	1 building
7. Dwellings units per building	54 Units per building
8. Bedrooms per unit	1 and 2 bedroom units
9. Parking Spaces Provided	62 total above, 1:1.18 at maximum unit density
grade, structure, on street	

Bishop's Creek Developed Area (East of Tracks, South of Hampton):

1. Gross Land Area:	160,011 s.f. = 3.68 acres
2. Land Covered by Principal Buildings	58,880 s.f. = 1.35 acres
3. Land Devoted to Parking, Drives and Parking Structures	61,550 s.f. = 1.41 acres
4. Land Devoted to Landscape Open Space	39,631 s.f. = 0.90 acres
5. Proposed Dwelling Unit Density	N/A, temporary housing at Hotel and Dormitory
6. Proposed Number of Residential Buildings	N/A
7. Dwellings units per building	N/A
8. Bedrooms per unit	N/A
9. Parking Spaces Provided	143, * See Below
grade, structure, on street	

Bishop's Creek Parking Comments

*Per the building square footages and the current city parking requirements the total parking load on site is 208. However because some of the on site uses for the bishops development will be staggered through the day some loads will be heavy during the day and light at night and vice versa. As such the day night totals are broken out below and a new total of 104 spaces is generated as the higher of the two and 143 spaces are provided.

Day

Retail spaces = 88 spaces

Office spaces = 22 spaces

Night

Theatre spaces = 50 spots

Hotel spaces = 44 spots

24 Hour Use

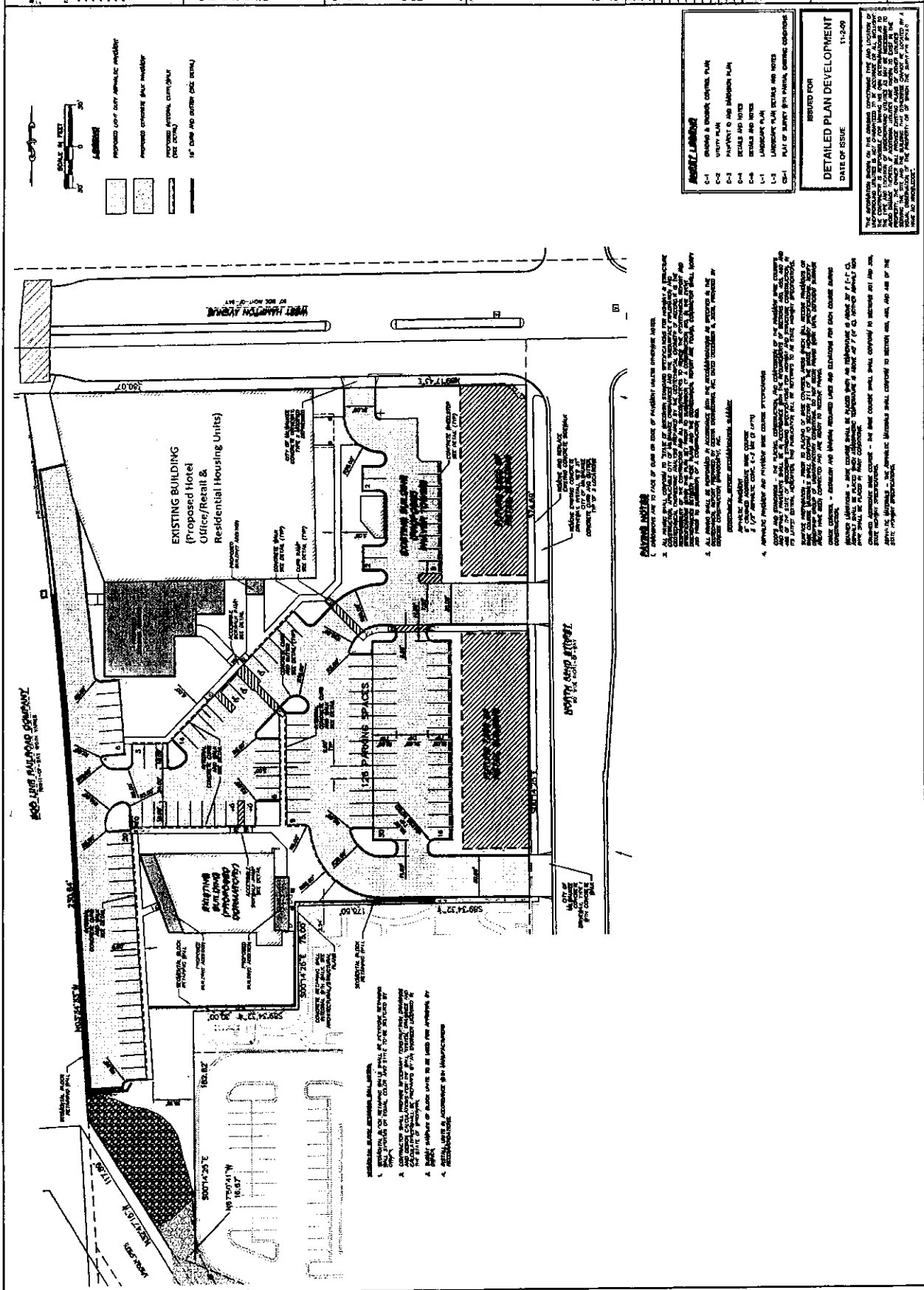
Dormitory= 4 spots

The higher of the two totals is the day parking total plus 24 hour use @ 104 spaces.

143 spots are provided on site. Therefore we meet our current parking needs. This total will need to be adjusted continually as we change sizes and programs of the buildings on site.

5. Phasing Schedule





Phase #	Building(s)	Begin	Complete
One	Common Bond Buildings	Oct 2009	Mar 2010
Two	Exchange and Hampton	Jan 2009	Mar 2010
Three	Building One Dormitories	Oct 2009	Jul 2011
Four	Three Retail Structure on North 32 nd Street	Oct 2009	Mar 2011

[illegible]

**FN 101115
2nd Amendment to GPD
January 2011**

 Proposed Zoning Change

Residential Districts

-  Single Family (RS1-6)
-  Two-Family (RT1-4)
-  Multi-Family (RM1-7)
-  Residential and Office (RO1-2)

Commercial Districts

-  Neighborhood Shopping (NS1-2)
-  Local Business (LB1-2)
-  Commercial Service (CS)
-  Regional Business (RB1-2)
-  Central Business (C9A-C9H)

Industrial Districts

-  Industrial - Office (IO)
-  Industrial - Light (IL1-2)
-  Industrial - Mixed (IM)
-  Industrial - Heavy (IH)

Special Districts

-  Parks (PK)
-  Institutional (TL)
-  Planned Development (PD, DPD)
-  Redevelopment (RED)



0 125 250 500 Feet

Data source: Department of City Development 2010

Address of parcel(s): 4769 North 32nd Street

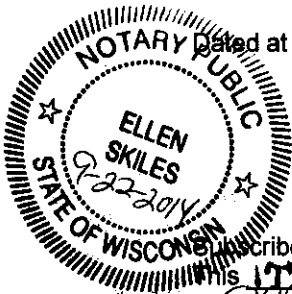
Affidavit for Zoning Change

1. POLICY (s. 295-313). Each applicant for a zoning map amendment or approval of a planned development, and each applicant for a use variance or special use permit, shall submit to the city plan commission or the board of zoning appeals, as the case may be, a signed affidavit indicating whether the applicant is: (NOTE: DISCLOSE ALL RELEVANT AND REQUIRED INFORMATION ON A SEPARATE SHEET AND ATTACH TO THIS SHEET UPON SUBMITTAL)

- a. Delinquent in the payment of any property tax, special assessment, special charge or special tax due to the city, provided that all appeals of the tax, assessment or charge have been concluded or the time to appeal has expired. YES ☐ NO ☒
- b. A party against whom the city has an outstanding judgment, provided that all appeals of the judgment have been concluded or the time to appeal has expired. YES ☐ NO ☒
- c. A party against whom the city has outstanding health or building and zoning code violations or orders from the commissioner of health or commissioner of neighborhood services that are not actively being abated, provided that all appeals of orders to correct violations have been concluded or the time to appeal has expired. YES ☐ NO ☒
- d. A party who has been convicted of violating an order of the commissioner of health or commissioner of neighborhood services within the past year, provided that all appeals of the conviction have been concluded or the time to appeal has expired. YES ☐ NO ☒
- e. The owner of premises found to be in violation of s. 80-10 to whom the commissioner of neighborhood services has charged the costs of police enforcement pursuant to s. 80-10-4, provided that all appeals of these charges have been concluded or the time to appeal has expired. YES ☐ NO ☒

2. NON-INDIVIDUAL APPLICANTS

- a. Corporations. If the applicant is a corporation, a duly authorized officer or director of the corporation shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each officer and director of the corporation as well as each shareholder owning 5% or more of voting stock, fits any of the descriptions in sub. 1-a to e.
- b. Partnerships. If the applicant is a partnership or limited partnership, a duly authorized partner, general partner or limited partner shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each partner, general partner and limited partner fits any of the descriptions in sub. 1-a to e.
- c. Limited Liability Companies. If the applicant is a limited liability company, a duly authorized member or manager of the company shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each member and manager of the company fits any of the descriptions in sub. 1-a to e.
- d. Nonstock Corporations. If the applicant is a nonstock corporation, a duly authorized officer or director of the corporation shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each officer and director of the corporation fits any of the descriptions in sub. 1-a to e.



Subscribed and sworn to before me this 17th day of December, 2010

[Signature]
Petitioner (signature)
Dan Dinkel-Schroder
(print name, relationship to project)

Subscribed and sworn to before me this 17th day of December, 2010
Ellen Skiles
Notary Public, State of Wisconsin
My commission expires: 9-22-2014

Office Use Only: File no. 101115

NOTICES SENT TO FOR FILE 101115:

[illegible]



AH&S REALTY LLC
1536 STRATFORD RD
DEERFIELD IL 60015

N JOSTEN & COMPANY INC
4905 N 32ND ST
MILWAUKEE WI 53209

BISHOPS CREEK COMM DEV CORP
ATTN: DAREN DANIELS
3500 MOTHER DANIELS WAY
MILWAUKEE WI 53209

ST EVENIGNASIAK LLC
2640 S 5TH ST
MILWAUKEE WI 53207

BISHOPS CREEK FAMILY HOUSING
328 W KELLOGG BLVD
ST PAUL MN 551021900

SOO LINE RAILROAD COMPANY
ATTN: WILLIAM GARDNER
PO BOX 9229
MILWAUKEE WI 53209

C/O CITY REAL ESTATE

SOO LINE RAILROAD COMPANY
C/O REAL ESTATE
501 MARQUETTE AVE STE 1525
MINNEAPOLIS MN 554021243

E R WAGNER MFG CO
4611 N 32ND ST
MILWAUKEE WI 53209

WI & SOUTHERN RAILROAD
5300 N 33RD ST
MILWAUKEE WI 532099299

HR ACADEMY INC
3500 W MOTHER DANIELS WAY
MILWAUKEE WI 53209

WI & SOUTHERN RAILROAD
C/O CPR
501 MARQUETTE AVE SOUTH #804
MINNEAPOLIS MN 55402

JT REAL ESTATE LLC
6933 W BROWN DEER RD
MILWAUKEE WI 53223

METRO SEWER DIST OF MILW
P O BOX 3049
MILWAUKEE WI 532013049

MMSD
260 W SEEBOTH ST
MILWAUKEE WI 53204

MILW COUNTY PARKS DEPT
9480 WATERTOWN PLANK RD
WAUWATOSA WI 53226

City Clerk
FN 101115



Legislation Details (With Text)

File #: 101103 **Version:** 1

Type: Ordinance **Status:** In Committee

File created: 12/21/2010 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: A substitute ordinance relating to the change in zoning from Industrial-Light to Industrial-Mixed, to allow for a greater range of land uses, on lands located on the northeast corner of West Vliet Street and North 4th Street, in the 6th Aldermanic District.

Sponsors: THE CHAIR

Indexes: ZONING, ZONING DISTRICT 06

Attachments: Proposed Zoning Change Map, Affidavit for Zoning Change, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
12/21/2010	0	COMMON COUNCIL	ASSIGNED TO		
12/23/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
1/14/2011	1	CITY CLERK	PUBLISHED		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number
101103
Version
SUBSTITUTE 1
Reference

Sponsor
THE CHAIR
Title

A substitute ordinance relating to the change in zoning from Industrial-Light to Industrial-Mixed, to allow for a greater range of land uses, on lands located on the northeast corner of West Vliet Street and North 4th Street, in the 6th Aldermanic District.

Analysis
This zoning change was requested by MB Acquisitions, LLC, to allow for possible future uses such as office or residential.

Body
Resolved, That the Mayor and Common Council of the City of Milwaukee, do ordain as follows:

Part 1. There is added to the Milwaukee Code of Ordinances a new section to read as follows:


Section 295-801.3.0017. The zoning map is amended to change the zoning for 1402 North 4th Street, Tax Key No. 361-0297-100, from Industrial-Light (IL2) to Industrial-Mixed (IM).

Drafter





DCD:VLK:kdc

01/07/11

**FN 101103
IL2 to IM
January 2011**

 Proposed Zoning Change





Residential Districts

-  Single Family (RS1-6)
-  Two-Family (RT1-4)
-  Multi-Family (RM1-7)
-  Residential and Office (RO1-2)


Commercial Districts

-  Neighborhood Shopping (NS1-2)
-  Local Business (LB1-2)
-  Commercial Service (CS)
-  Regional Business (RB1-2)
-  Central Business (C9A-C9H)

Industrial Districts

-  Industrial - Office (IO)
-  Industrial - Light (IL1-2)
-  Industrial - Mixed (IM)
-  Industrial - Heavy (IH)

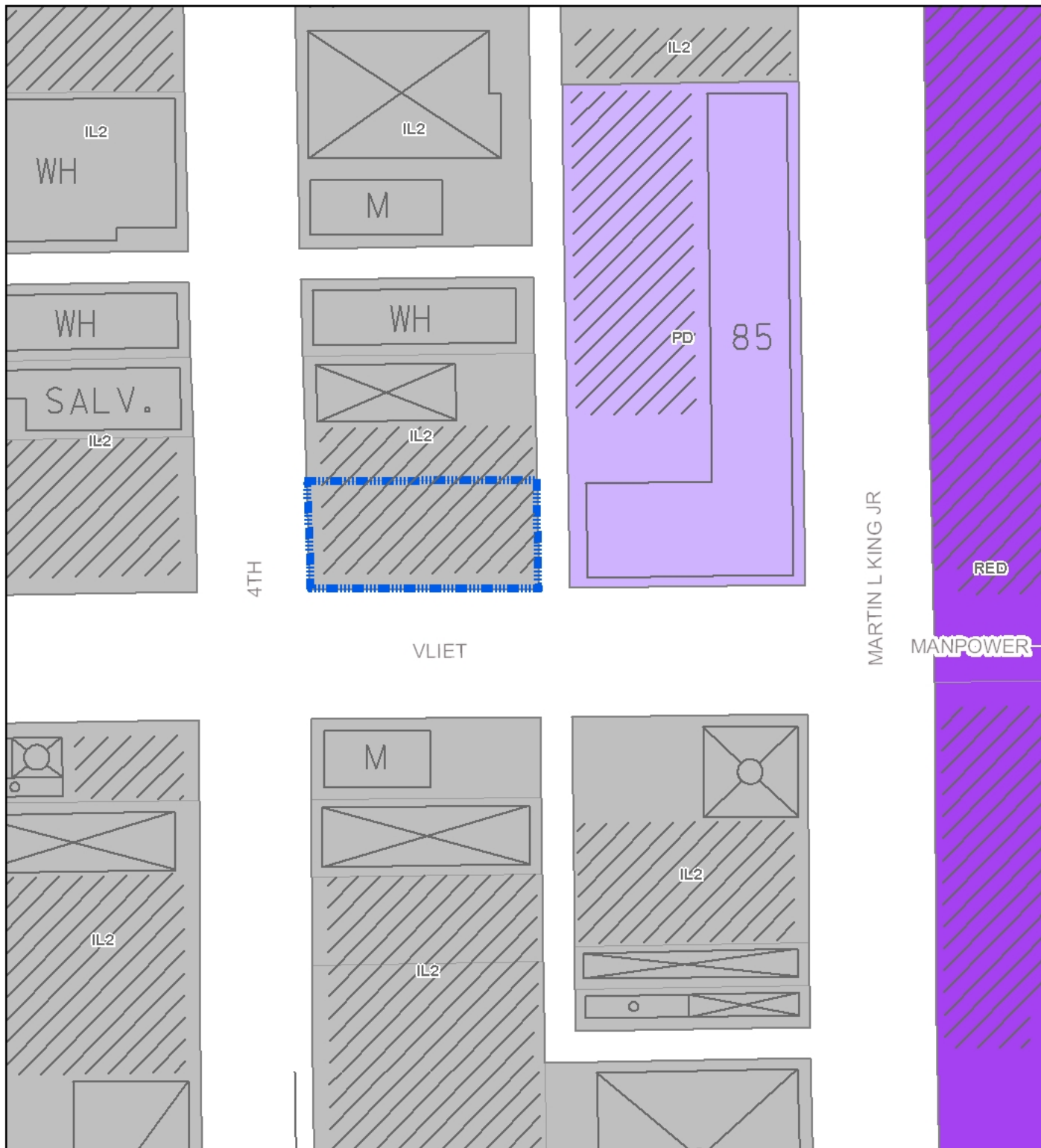
Special Districts

-  Parks (PK)
-  Institutional (TL)
-  Planned Development (PD, DPD)
-  Redevelopment (RED)



0 65 130 260 Feet

Data source: Department of City Development 2010



Affidavit for Zoning Change

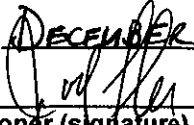
1. POLICY (s. 295-313). Each applicant for a zoning map amendment or approval of a planned development, and each applicant for a use variance or special use permit, shall submit to the city plan commission or the board of zoning appeals, as the case may be, a signed affidavit indicating whether the applicant is: (NOTE: DISCLOSE ALL RELEVANT AND REQUIRED INFORMATION ON A SEPARATE SHEET AND ATTACH TO THIS SHEET UPON SUBMITTAL)

- a. Delinquent in the payment of any property tax, special assessment, special charge or special tax due to the city, provided that all appeals of the tax, assessment or charge have been concluded or the time to appeal has expired. YES ☐ NO ☒
- b. A party against whom the city has an outstanding judgment, provided that all appeals of the judgment have been concluded or the time to appeal has expired. YES ☐ NO ☒
- c. A party against whom the city has outstanding health or building and zoning code violations or orders from the commissioner of health or commissioner of neighborhood services that are not actively being abated, provided that all appeals of orders to correct violations have been concluded or the time to appeal has expired. YES ☐ NO ☒
- d. A party who has been convicted of violating an order of the commissioner of health or commissioner of neighborhood services within the past year, provided that all appeals of the conviction have been concluded or the time to appeal has expired. YES ☐ NO ☒
- e. The owner of premises found to be in violation of s. 80-10 to whom the commissioner of neighborhood services has charged the costs of police enforcement pursuant to s. 80-10-4, provided that all appeals of these charges have been concluded or the time to appeal has expired. YES ☐ NO ☒

2. NON-INDIVIDUAL APPLICANTS

- a. Corporations. If the applicant is a corporation, a duly authorized officer or director of the corporation shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each officer and director of the corporation as well as each shareholder owning 5% or more of voting stock, fits any of the descriptions in sub. 1-a to e.
- b. Partnerships. If the applicant is a partnership or limited partnership, a duly authorized partner, general partner or limited partner shall submit the affidavit required by sub 1. The affidavit shall attest to whether each partner, general partner and limited partner fits any of the descriptions in sub. 1-a to e.
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- d. Nonstock Corporations. If the applicant is a nonstock corporation, a duly authorized officer or director of the corporation shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each officer and director of the corporation fits any of the descriptions in sub. 1-a to e.

Dated at Milwaukee, Wisconsin, this 14 day of DECEMBER, 2010.


Petitioner (signature) MB ACQUISITION, LLC
JOEL LEE, MEMBER
(print name, relationship to project)

Subscribed and sworn to before me

This 14 day of DECEMBER, 2010



Notary Public, State of Wisconsin

My commission expires: IS PERMANENT

Office Use Only: File no. 101103

NOTICES SENT TO FOR FILE 101103:

[illegible]

ARTISTIC PLATING CO INC
428 W VLIET ST
MILWAUKEE WI 53212

MIX PROPERTIES LLC
430 W VLIET ST
MILWAUKEE WI 53212

BREWERY WORKERS CREDIT UNION
1351 N MARTIN LUTHER KING DR
MILWAUKEE WI 532124020

PARK EAST ENTERPRISE LOFTS I
200 N MAIN ST
OREGON WI 53575

BRIAN L MOSEHART
605 CATFISH CREEK RD
LAKE PLACID FL 338527986

REGES I LLC
PO BOX 784
ELM GROVE WI 53122

CLF TW MILWAUKEE LLC
1065 AVENUE OF AMERICAS 19FL
NEW YORK NY 10018

REGES II LLC
PO BOX 784
ELM GROVE WI 53122

COMMERCE POWER LLC
C/O THE BREWERY WORKS INC
1555 N RIVERCENTER DR #204
MILWAUKEE WI 53212

RIESEN, PAUL III
419 W VLIET ST
MILWAUKEE WI 53212

JOHN LINDSTEDT
JH LINDSTEDT REV TR, M LINDSTEADT, TR
1433 N 4TH ST
MILWAUKEE WI 53212

ROADSTER LLC
1300 N 4TH ST
MILWAUKEE WI 53212

JOHN S LINDSTEDT
JH LINDSTEDT REV TR, M LINDSTEADT, TR
405 W CHERRY ST
MILWAUKEE WI 53212

RONALD COLLISON
2140 N 93RD ST
WAUWATOSA WI 53226

MATHEW WEGLARZ
HEATHER WEGLARZ
1724 N MARTIN LUTHER KING DR
MILWAUKEE WI 53212

ROTTER INVESTMENT RLTY CO
1303 N 4TH ST
MILWAUKEE WI 53212

MB ACQUISITION LLC
ATTN: JOEL LEE
788 N JEFFERSON ST, STE 800
MILWAUKEE WI 53202

STR INVESTMENT CO
10407 N LARKSPUR CT
MEQUON WI 53092

MILWAUKEE PLATING COMPANY
1434 N 4TH ST
MILWAUKEE WI 53212

WISCONSIN ARTS LAB LLC
9205 N UPPER RIVER RD
RIVER HILLS WI 53217



CCO office
FN 101103



Legislation Details (With Text)

File #: 101104 **Version:** 1

Type: Ordinance **Status:** In Committee

File created: 12/21/2010 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: A substitute ordinance relating to the change in zoning from Industrial-Light to Industrial-Mixed, to allow for a greater range of land uses, on lands located on the north side of West McKinley Avenue and west of North Dr. Martin Luther King Jr. Drive, in the 6th Aldermanic District.

Sponsors: THE CHAIR

Indexes: ZONING, ZONING DISTRICT 06

Attachments: Proposed Zoning Change Map, Affidavit for Zoning Change, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
12/21/2010	0	COMMON COUNCIL	ASSIGNED TO		
12/23/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
1/14/2011	1	CITY CLERK	PUBLISHED		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number
101104
Version
SUBSTITUTE 1
Reference

Sponsor
THE CHAIR
Title

A substitute ordinance relating to the change in zoning from Industrial-Light to Industrial-Mixed, to allow for a greater range of land uses, on lands located on the north side of West McKinley Avenue and west of North Dr. Martin Luther King Jr. Drive, in the 6th Aldermanic District.

Analysis

This zoning change was requested by MB Acquisitions, LLC, to allow for the possible conversion of the existing building into uses such as residential or office.

Body

Resolved, That the Mayor and Common Council of the City of Milwaukee, do ordain as follows:

Part 1. There is added to the Milwaukee Code of Ordinances a new section to read as follows:

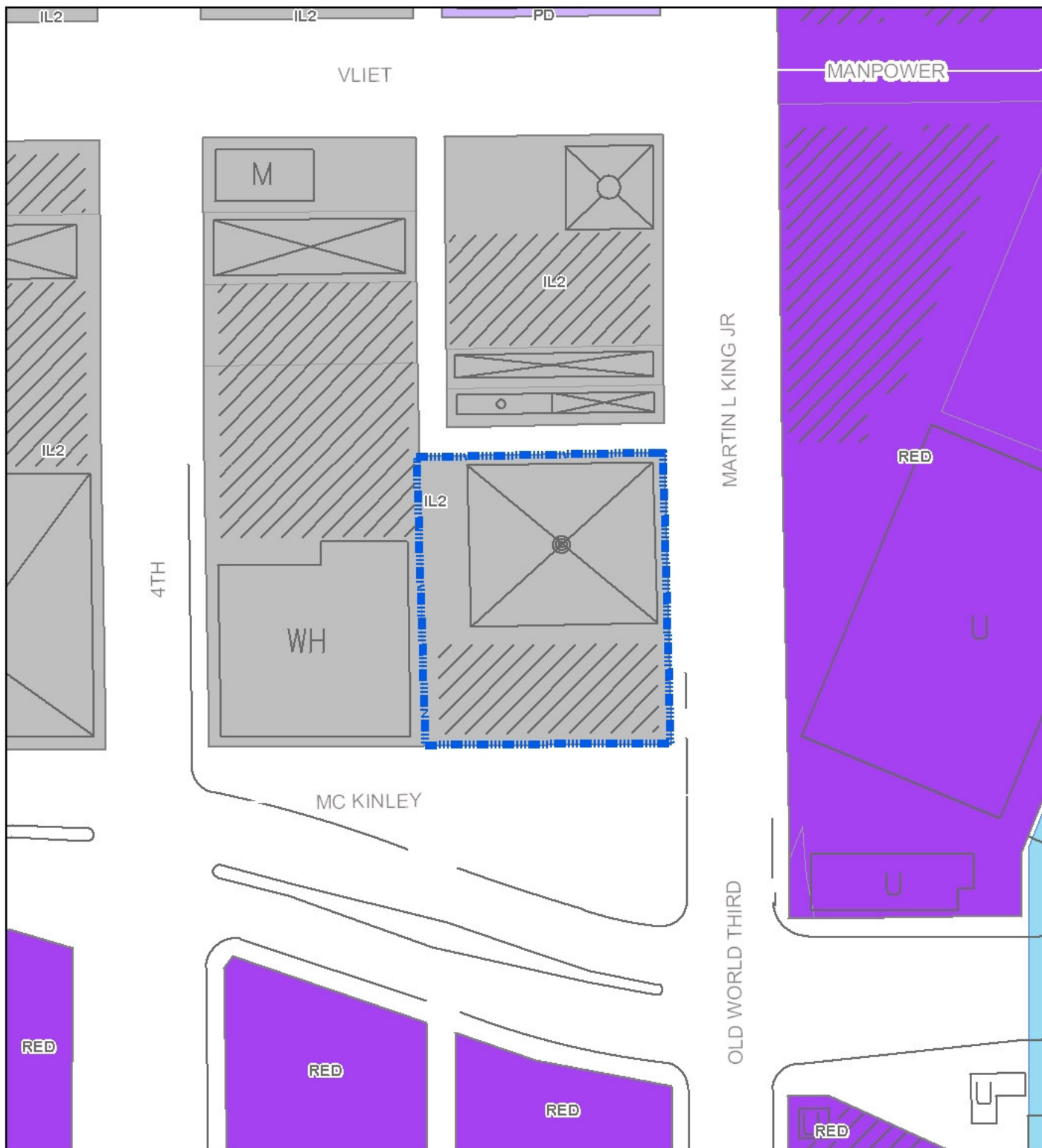
Section 295-801.3.0018. The zoning map is amended to change the zoning for 1301 North Dr.

Martin Luther King Jr. Drive, Tax Key No. 361-0328-111, from Industrial-Light (IL2) to Industrial-Mixed (IM).

Drafter

DCD:VLK:kdc





01/07/11



FN 101104
IL2 to IM
January 2011

 Proposed Zoning Change

Residential Districts

-  Single Family (RS1-6)
-  Two-Family (RT1-4)
-  Multi-Family (RM1-7)
-  Residential and Office (RO1-2)

Commercial Districts

-  Neighborhood Shopping (NS1-2)
-  Local Business (LB1-2)
-  Commercial Service (CS)
-  Regional Business (RB1-2)
-  Central Business (C9A-C9H)

Industrial Districts

-  Industrial - Office (IO)
-  Industrial - Light (IL1-2)
-  Industrial - Mixed (IM)
-  Industrial - Heavy (IH)

Special Districts

-  Parks (PK)
-  Institutional (TL)
-  Planned Development (PD, DPD)
-  Redevelopment (RED)



0 70 140 280 Feet

Data source: Department of City Development 2010

Address of parcel(s): 1301-1325 N Martin King Luther Jr. Drive

Affidavit for Zoning Change

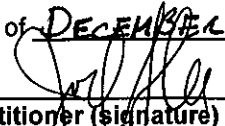
1. POLICY (s. 295-313). Each applicant for a zoning map amendment or approval of a planned development, and each applicant for a use variance or special use permit, shall submit to the city plan commission or the board of zoning appeals, as the case may be, a signed affidavit indicating whether the applicant is: (NOTE: DISCLOSE ALL RELEVANT AND REQUIRED INFORMATION ON A SEPARATE SHEET AND ATTACH TO THIS SHEET UPON SUBMITTAL)

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- b. A party against whom the city has an outstanding judgment, provided that all appeals of the judgment have been concluded or the time to appeal has expired. YES ☐ NO ☒
- c. A party against whom the city has outstanding health or building and zoning code violations or orders from the commissioner of health or commissioner of neighborhood services that are not actively being abated, provided that all appeals of orders to correct violations have been concluded or the time to appeal has expired. YES ☐ NO ☒
- d. A party who has been convicted of violating an order of the commissioner of health or commissioner of neighborhood services within the past year, provided that all appeals of the conviction have been concluded or the time to appeal has expired. YES ☐ NO ☒
- e. The owner of premises found to be in violation of s. 80-10 to whom the commissioner of neighborhood services has charged the costs of police enforcement pursuant to s. 80-10-4, provided that all appeals of these charges have been concluded or the time to appeal has expired. YES ☐ NO ☒

2. NON-INDIVIDUAL APPLICANTS

- a. Corporations. If the applicant is a corporation, a duly authorized officer or director of the corporation shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each officer and director of the corporation as well as each shareholder owning 5% or more of voting stock, fits any of the descriptions in sub. 1-a to e.
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- d. Nonstock Corporations. If the applicant is a nonstock corporation, a duly authorized officer or director of the corporation shall submit the affidavit required by sub. 1. The affidavit shall attest to whether each officer and director of the corporation fits any of the descriptions in sub. 1-a to e.

Dated at Milwaukee, Wisconsin, this 14 day of DECEMBER, 20 10.


Petitioner (signature) MB Acquisition, LLC
JOEL LEE, MEMBER
(print name, relationship to project)

Subscribed and sworn to before me

This 14 day of DECEMBER, 20 10


Notary Public, State of Wisconsin

My commission expires: IS PERMANENT

Office Use Only: File no. 101104

NOTICES SENT TO FOR FILE 101104:

[illegible]



BREWERY WORKERS CREDIT UNION
1351 N MARTIN LUTHER KING DR
MILWAUKEE WI 532124020

ROADSTER LLC
1300 N 4TH ST
MILWAUKEE WI 53212

BREWERY WORKS INC
1555 N RIVERCENTER DR #204
MILWAUKEE WI 53212

ROTTER INVESTMENT RLTY CO
1303 N 4TH ST
MILWAUKEE WI 53212

BRIAN L MOSEHART
605 CATFISH CREEK RD
LAKE PLACID FL 338527986

STR INVESTMENT CO
10407 N LARKSPUR CT
MEQUON WI 53092

CLF TW MILWAUKEE LLC
1065 AVENUE OF AMERICAS 19FL
NEW YORK NY 10018

COMMERCE POWER LLC C/O THE
BREWERY WORKS INC
1555 N RIVERCENTER DR #204
MILWAUKEE WI 53212

JOEL LEE, MB ACQUISITION LLC
NEW LAND INVEST NO 5 LLC
788 N JEFFERSON ST, #800
MILWAUKEE WI 53202

MATHEW WEGLARZ
HEATHER WEGLARZ
1724 N MARTIN LUTHER KING DR
MILWAUKEE WI 53212

MILW BLOCK 10 PROP LLC
270 E HIGHLAND AVE #A
MILWAUKEE WI 53202

MILWAUKEE COUNTY
REGISTER OF DEEDS
901 N 9TH ST
MILWAUKEE WI 53233

RIESEN, PAUL III
419 W VLIET ST
MILWAUKEE WI 53212

CC's Office
FN 101104



Legislation Details (With Text)

File #: 100832 **Version:** 0

Type: Resolution **Status:** In Committee

File created: 11/3/2010 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Resolution approving a final Certified Survey Map for property located on the south side of East North Avenue and west of North Palmer Street, which will create two lots and dedicate land for public purposes, in the 6th Aldermanic District.

Sponsors: THE CHAIR

Indexes: CERTIFIED SURVEY MAPS

Attachments: City Plan Commission Letter, Certified Survey Map, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
11/3/2010	0	COMMON COUNCIL	ASSIGNED TO		
11/5/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number

100832

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Resolution approving a final Certified Survey Map for property located on the south side of East North Avenue and west of North Palmer Street, which will create two lots and dedicate land for public purposes, in the 6th Aldermanic District.

Analysis

This resolution approves a final Certified Survey Map that consolidates several parcels into two lots to accommodate the expansion of St. Marcus Evangelical Lutheran Church's existing school and dedicates land for public alley purposes.

Body

Whereas, The Milwaukee Code of Ordinances, Chapter 119-5, Subdivision Regulations, requires City Plan Commission ("CPC") approval, conditional approval or disapproval of all Certified Survey Maps ("CSMs"), which provide dedication of land to the City of Milwaukee ("City") for public purposes; and

Whereas, The City received one final CSM, a copy of which is attached to this Common Council File, which dedicates land to the City for public purposes; and

Whereas, In compliance with the above-referenced chapter of the Milwaukee Code of

Ordinances, CPC has reviewed and recommended approval of said CSM; now, therefore, be it Resolved, By the Common Council of the City of Milwaukee, that the following CSM is approved:

OWNER'S NAME, DCD NO., TAX KEY NO.

St. Marcus Evangelical Lutheran Church, DCD No. 2839, Tax Key Nos. 353-0146-100 and 353-0161-210

Drafter

DCD:VLK:kdc
11/03/10/G

December 7, 2010

To the Honorable Members of the
Zoning, Neighborhoods and Development Committee
City of Milwaukee

Dear Committee Members:

File No. 100832 approves a final Certified Survey Map for property located on the south side of East North Avenue and west of North Palmer Street, which will create two lots and dedicate land for public purposes, in the 6th Aldermanic District.

This file approves a final Certified Survey Map that consolidates several parcels into two lots to allow for the expansion of St. Marcus Lutheran School, and re-dedicates land for public alley purposes.

Since the proposed final Certified Survey Map complies with City plans for the area, the City Plan Commission at its regular meeting on December 6, 2010, recommended approval of the subject file, conditioned on obtaining the Treasurer's signature and the approval and recording of the release of an existing sewer easement.

Sincerely,

Rocky Marcoux
Executive Secretary
City Plan Commission of Milwaukee

cc: Ald. Coggs



KAPUR & ASSOCIATES, INC.
CONSULTING ENGINEERS
MILWAUKEE, WISCONSIN
414.357.8888

CERTIFIED SURVEY MAP

BEING A DIVISION OF ALL OF LOTS 3 THROUGH 6 AND 8 THROUGH 16 INCLUSIVE, VACATED ALLEY AND A PORTION OF THE PUBLIC ALLEY ADJOINING SAID LOTS, BLOCK 3, SHERMAN'S ADDITION, LOCATED IN PART OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 20, TOWNSHIP 7 NORTH, RANGE 22 EAST, CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN.

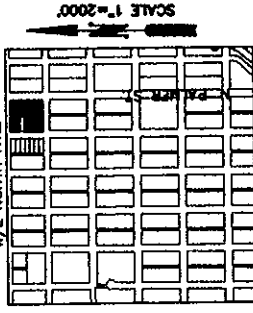
TAX KEYS:
LOT 2 353-0146-100 (ZONING: LB2)
LOT 1 353-0161-210 (ZONING: RT4)

NOTE:
ACCORDING TO FLOOD INSURANCE RATE MAP OF THE CITY OF MILWAUKEE, COMMUNITY PANEL NO. 55079C00091E, EFFECTIVE DATE SEPTEMBER 26, 2008 THIS SITE FALLS IN ZONE X (AREA DETERMINED TO BE OUTSIDE THE 2% ANNUAL CHANCE FLOODPLAIN).

- LEGEND:
- ▲ - MASONRY NAIL SET
 - - 1-1/4" O.D. X 24" LONG, IRON PIPE SET, WEIGHING 1.68 LBS./FT.
 - - IRON PIPE FOUND (1-1/4" O.D.)
 - ⊗ - CHISELED CROSS FOUND, UNLESS NOTED
 - + - FOUND BLOCK SPLITS, SEE PAGE 2.
 - ⊕ - POINT OF BEGINNING
 - POB - POINT OF BEGINNING
 - - OUTLINE OF EXISTING BUILDING
 - - AREA OF ALLEY DEDICATION

NORTH REFERENCED TO THE SYSTEM MILWAUKEE ZONE HAD BEARING N89°08'05"E.

SCALE IN FEET 1"=60'



NE 1/4 SEC. 20-7-22
VOCITY MAP

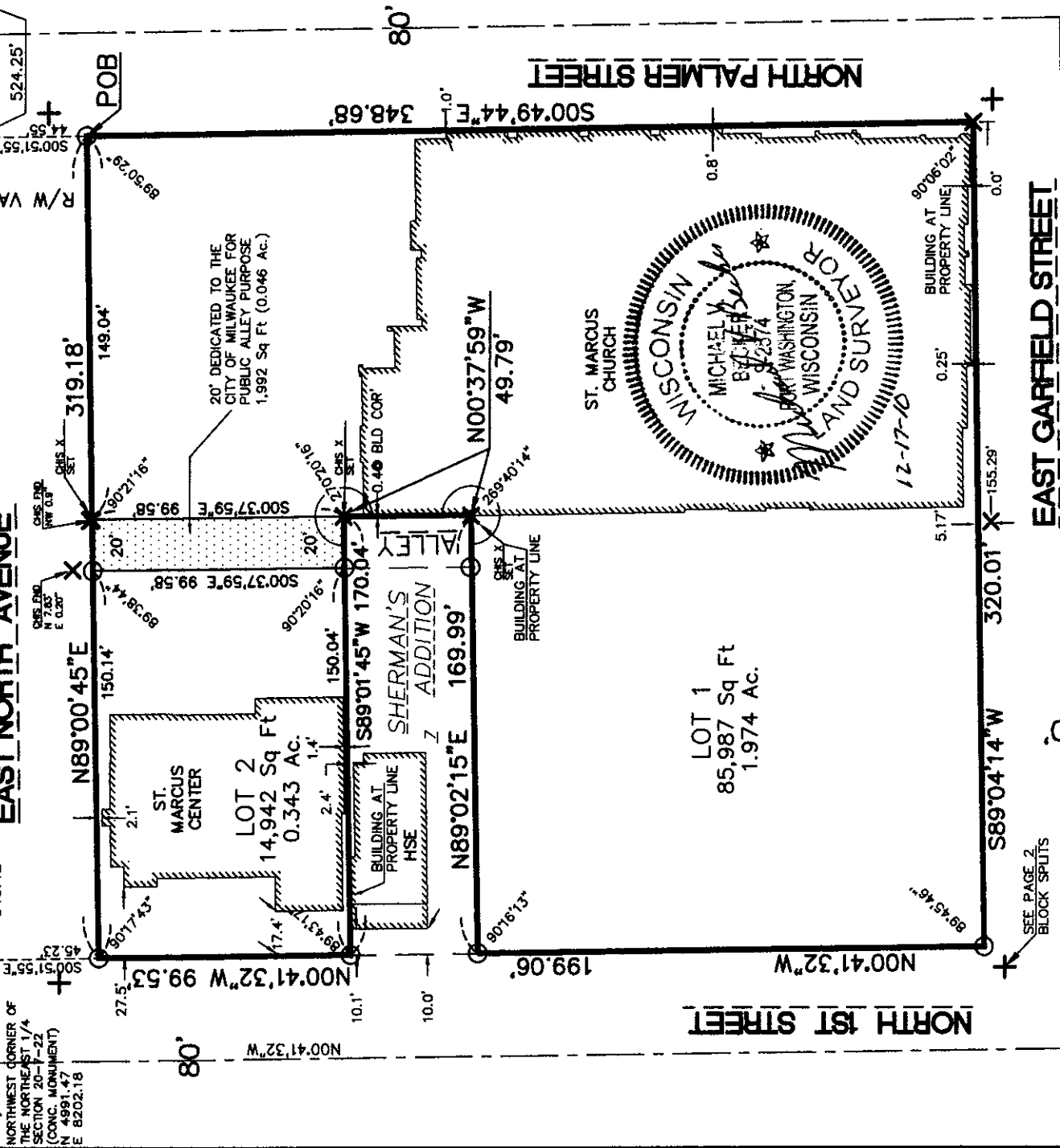
NORTHEAST CORNER OF THE NORTHEAST 1/4 SECTION 20-7-22 (CONC. MONUMENT)
N 50°31'55"
E 108°55'69"

R/W VARIES

EAST NORTH AVENUE
S89°08'05"W (2653.92')

843.42'

NORTH LINE OF THE NE 1/4 SEC. 20



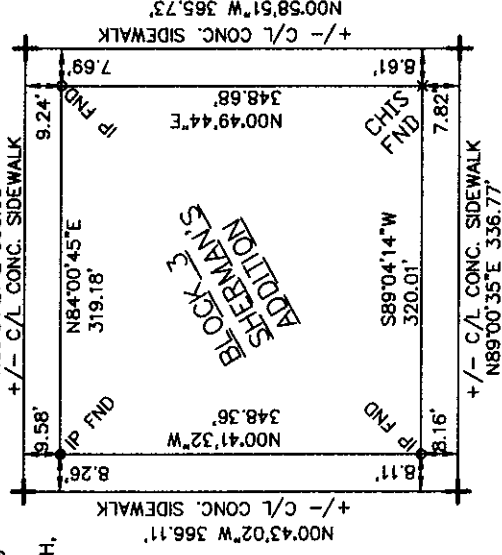
INFRASTRUCTURE SERVICES DIVISION
Central Drafting & Records Manager
Marius Cornwell 1/7/11
ENGR. IN CHARGE ENVIRON. ENGR.
CORRECT
CITY ENGINEER
APPROVED

DCD
STAMP



BEING A DIVISION OF ALL OF LOTS 3 THROUGH 6 AND 8 THROUGH 16 INCLUSIVE, VACATED ALLEY AND A PORTION OF THE PUBLIC ALLEY ADJOINING SAID LOTS, BLOCK 3, SHERMAN'S ADDITION, LOCATED IN PART OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 20, TOWNSHIP 7 NORTH, RANGE 22 EAST, CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN.

CHIS "1" FOUND (BLOCK SPLITS)
N89°04'21"E 335.08'
+/- C/L CONC. SIDEWALK



STATE OF WISCONSIN }
COUNTY OF MILWAUKEE } SS

That I have surveyed, divided, and mapped a division of all of Lots 3 through 6 and 8 through 16 inclusive, Vacated alley and a portion of the public alley adjoining said lots, Block 3, Sherman's Addition, Located in part of the Northeast 1/4 of the Northeast 1/4 of Section 20, Town 7 North, Range 22 East, City of Milwaukee, Milwaukee County, Wisconsin, which is bounded and described as follows:

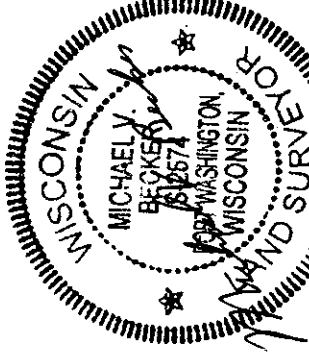
Said Parcel contains 2.363 acres or 102,921 square feet, more or less.

That the map is a correct representation of all the exterior boundaries of the land surveyed and the land division thereof made.

Dated this 17th Day of December, 2010

Michael V. Becker

Michael V. Becker, Registered Wisconsin Land Surveyor, (S-2574)



12-17-10



KAPUR & ASSOCIATES, INC.
CONSULTING ENGINEERS
MILWAUKEE, WISCONSIN
414.351.6666

CERTIFIED SURVEY MAP

DLD # 2839

Sheet 3 of 3

BEING A DIVISION OF ALL OF LOTS 3 THROUGH 6 AND 8 THROUGH 16 INCLUSIVE, VACATED ALLEY AND A PORTION OF THE PUBLIC ALLEY ADJOINING SAID LOTS, BLOCK 3, SHERMAN'S ADDITION, LOCATED IN PART OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 20, TOWNSHIP 7 NORTH, RANGE 22 EAST, CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN.

CORPORATE OWNER'S CERTIFICATE

Saint Marcus Evangelical Lutheran Church an unincorporated non-profit religious association, as owner, certifies that they have caused the land described on this map to be surveyed, divided, mapped, and dedicated as represented on this map in accordance with the requirements of Chapter 119 of the Milwaukee Code of Ordinances.

In consideration of the approval of the map by the Common Council and in accordance with Chapter 119 of the Milwaukee Code, the undersigned agrees:

a. That all utility lines to provide electric power and telephone services and cable television or communications systems lines or cables to all parcels in the Certified Survey Map shall be installed underground in easements provided therefore.

This agreement shall be binding on the undersigned and assigns.

In Witness Whereof, Saint Marcus Evangelical Lutheran Church has caused these presents to be signed by Barry J. Spencer, its Parish Administrator, and countersigned by Mike W. Burr, its Secretary, at Milwaukee, Wisconsin, this 31st day of December, 2010.

In the presence of:

Saint Marcus Evangelical Lutheran Church

Barry J. Spencer

Barry J. Spencer, Parish Administrator

Mike W. Burr

by Mike W. Burr, Secretary

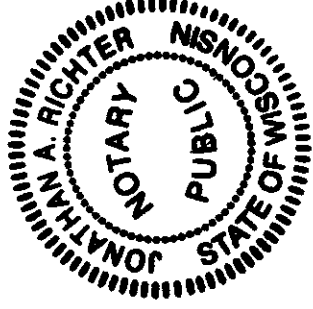
STATE OF WISCONSIN)
MILWAUKEE COUNTY) SS

Personally came before me this 27th day of December, 2010, Barry J. Spencer, Parish Administrator and Mike W. Burr, Secretary of Saint Marcus Evangelical Lutheran Church, to me known as the persons who executed the foregoing instrument, and to me known to be the Parish Administrator and Secretary of the above named church, and acknowledged that they executed the foregoing instrument as such officers as the deed of the church, by its authority.

Jonathan A. Richter

, Notary Public

State of Wisconsin
My commission expires 3/25/2014
My commission is permanent.



CERTIFICATE OF CITY TREASURER

STATE OF WISCONSIN)
MILWAUKEE COUNTY) SS

I, Wayne F. Whittow, being the duly elected, qualified and acting City Treasurer of the City of Milwaukee, certify that in accordance with the records in the Office of the City Treasurer of the City of Milwaukee, there are no unpaid taxes or unpaid special assessments on the land included in this Certified Survey Map.

Dated: 1/13/11

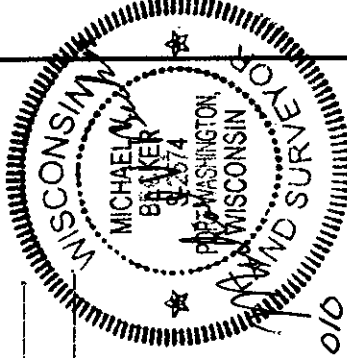
Wayne F. Whittow
Deputy City Treasurer for
Wayne F. Whittow, City Treasurer

COMMON COUNCIL CERTIFICATE OF APPROVAL

I certify that this Certified Survey Map was approved under Resolution File No. _____ adopted by the Common Council of the City of Milwaukee on _____

Ronald D. Leonhardt, City Clerk

Tom Barrett, Mayor



12-17-2010

THIS INSTRUMENT DRAFTED BY MICHAEL V. BECKER

NOTICES SENT TO FOR FILE 100832:

[illegible]



Legislation Details (With Text)

File #: 100886 **Version:** 1

Type: Resolution **Status:** In Committee

File created: 11/3/2010 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Substitute resolution approving Amendment No. 4 to the Redevelopment Plan for the Park East Redevelopment Project Area, in the 3rd, 4th and 6th Aldermanic Districts.

Sponsors: ALD. COGGS, ALD. KOVAC

Indexes: PLANNED UNIT DEVELOPMENTS, REDEVELOPMENT

Attachments: Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
11/3/2010	0	COMMON COUNCIL	ASSIGNED TO		
11/5/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number

100886

Version

SUBSTITUTE 1

Reference

030870, 040563, 041593, 050821

Sponsor

ALD. COGGS AND KOVAC

Title

Substitute resolution approving Amendment No. 4 to the Redevelopment Plan for the Park East Redevelopment Project Area, in the 3rd, 4th and 6th Aldermanic Districts.

Analysis

Adoption of this substitute resolution by at least two-thirds vote of the Common Council will amend text to expand permitted land use conditions set forth in Document Three: Development Code within the Park East Redevelopment Project Area. Such approval is a prerequisite for exercising the powers granted to the Redevelopment Authority under Wisconsin law for implementation of the amendment following adoption of this resolution.

Body

Whereas, On December 15, 2003, the Redevelopment Authority of the City of Milwaukee ("Authority") approved Resolution No. 9569 and on June 15, 2004, the Common Council of the City of Milwaukee ("Common Council") adopted File No. 030870, a Redevelopment Plan ("Plan") for the Park East Redevelopment Project Area; and

Whereas, The Plan was recorded on August 11, 2004, in the Office of the Register of Deeds of Milwaukee County, Wisconsin, as Document No. 08841218; and

Whereas, On August 19, 2004, via Resolution No. 9641, the Authority and on September 21,

2004, via File No. 040563, the Common Council adopted Amendment No. 1 to the Plan; and

Whereas, On April 28, 2005, via Resolution No. 9708, the Authority and on May 3, 2005, via File No. 041593, the Common Council adopted Amendment No. 2 to the Plan; and

Whereas, On November 17, 2005, via Resolution No. 9764, the Authority and on January 18, 2006, via File No. 050821, the Common Council adopted Amendment No. 3 to the Plan; and

Whereas, The Plan, Document Three: Development Code, defines use and design standards for all buildings on each of the 28 blocks; and

Whereas, The Development Code did not contemplate temporary uses in conjunction with development of new projects within and directly adjacent to the Park East Redevelopment Project Area boundary; and

Whereas, Amendment No. 4 to the Plan, a copy of which is attached to this Common Council File, provides for surface parking as an accessory temporary use for principal buildings, provided certain conditions are met; and

Whereas, The Authority approved Amendment No. 4 to the Plan after a public hearing on December 16, 2010, and is hereby transmitting it to the Common Council for approval; and

Whereas, The City Plan Commission reviewed Amendment No. 4 to the Plan and determined that it conforms to the general plan of the City and to local objectives, including appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements in the Project Area; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that Amendment No. 4 to the Park East Redevelopment Plan is approved pursuant to Section 66.1333(11)(b), Wisconsin Statutes; and, be it

Further Resolved, That the City Clerk is directed to transmit to the Authority, the Commissioner of City Development, the Commissioner of Neighborhood Services and the Assessment Commissioner a certified copy of this resolution for recording in the Office of the Register of Deeds of Milwaukee County.

Drafter

DCD:VLK:vlk

01/26/11

EXHIBIT #1

Recording Area

Name and Return Address:
 Redevelopment Authority of the
 City of Milwaukee
 ATTN: Vanessa Koster
 809 N. Broadway, 2nd Floor
 Milwaukee, WI 53202

The Park East Redevelopment Plan, recorded with the Register of Deeds for Milwaukee County on August 11, 2004 as Document No. 08841218 shall be amended as follows:

A. Park East Development Code, Document Three; Page 5; Section 1: Land Use Text is replaced to read as follows:

The following uses are governed by Appendix A: Use Table on pages 80-82 of the Development Code: Residential Office Retail/Services Entertainment & Accommodations Institutional Parking Industrial/Storage/Utility

B. Park East Development Code, Document Three; Page 82; Appendix A: Use Table is amended with the following Table/Text:

Redevelopment Plan Heading	Zoning Sub-Category	Redevelopment Plan Allowance	Conditions
Parking	Parking Lot, Principal Use	N	
	Parking Lot, Accessory Use	Y	This use is permitted only if approved by RACM resolution. Approval subject to consideration of criteria applicable to special use.
	Parking Structure, Principal Use	Y	This use is permitted only if approved by RACM resolution. Approval subject to consideration of criteria applicable to special use.
	Parking Structure, Accessory Use	Y	1. The parking spaces shall be integrated into a larger structure that houses one or more principal uses of the premises that are permitted uses or have been approved by the board.
	Heavy Motor Vehicle Parking Lot, Accessory Use	Y	This use is permitted only if approved by RACM resolution. Approval subject to consideration of criteria applicable to special use.
	Heavy Motor Vehicle Parking Lot, Principal Use	N	
	Temporary Parking Lot, Accessory Use	Y	1. Accessory to a new development within the plan boundary, or directly adjacent to or across the street from such a new development, provided that the parking lot shall only serve the new development and shall not be used for public parking. 2. Limited up to 24 months 3. Includes Type A landscape screening per 295-405-1 4. Asphalt surface material is prohibited and temporary surface materials shall, as applicable, must obtain variance from Standards and Appeals Commission

C. Park East Development Code, Document Three; Block and Development Standards; Block 7; Page 26.

This document was drafted by the Department of City Development, City of Milwaukee.

The following Use Text will be removed: Lot C: *Surface Parking as both a primary and accessory is prohibited.*

In all other respects, except as herein modified by Amendment No. 4, the Redevelopment Plan for the Park East Redevelopment Project remains in full force and effect and in operation.

NOTICES SENT TO FOR FILE 100886:

[illegible]



Legislation Details (With Text)

File #: 101118 **Version:** 0

Type: Ordinance **Status:** In Committee

File created: 12/21/2010 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: An ordinance extending the expiration date of zoning code regulations relating to off-premise automatic changeable message signs.

Sponsors: ALD. WITKOWIAK

Indexes: SIGNS

Attachments: Update on the Federal Study, Minutes of the Zoning Code Technical Committee, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
12/21/2010	0	COMMON COUNCIL	ASSIGNED TO		
12/23/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
12/23/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
1/14/2011	0	CITY CLERK	PUBLISHED		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number

101118

Version

ORIGINAL

Reference

091238, 070548

Sponsor

ALD. WITKOWIAK

Title

An ordinance extending the expiration date of zoning code regulations relating to off-premise automatic changeable message signs.

Sections

295-407-4-d am

Analysis

On March 18, 2008, the Common Council passed File Number 070548, an ordinance revising provisions of the zoning code pertaining to automatic changeable message signs. The ordinance included a sunset clause providing that these regulations would become null and void on and after

March 31, 2010. This date coincided with the expected completion of a Federal Highway Administration study on the effect of commercial electronic variable message signs on driver behavior and the potential risks to traffic safety.

On March 24, 2010, the Common Council passed File Number 091238, an ordinance extending the sunset date to March 31, 2011.

This ordinance extends the expiration date of the zoning code regulations relating to off-premise automatic changeable message signs another year, to March 31, 2012, in light of the fact that the aforementioned Federal Highway Administration study has not yet been completed.

Body

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Part 11 of Common Council File 070548, passed March 18, 2008, and effective April 5, 2008, is amended to read:

Part 11. Section 295-407-4-d of this ordinance, pertaining to off-premise automatic changeable message signs, shall be null and void on and after March 31, ~~[[2011]]~~>>2012<<.

LRB

APPROVED AS TO FORM

Legislative Reference Bureau

Date: _____

Attorney

IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney

Date: _____

Requestor

Drafter

LRB124292-1

JDO

12/17/2010

From: Bryson, Robert

Sent: Tuesday, January 11, 2011 3:48 PM

To: Richardson, Ed; Mukamal, Stuart; Silletti, Leslie; Elmer, Linda; Owczarski, Jim; Wantoch, Clark; Polenske, Jeffrey

Subject: FW: CEVMS Study briefing

Talk about timely! This update on the FHWA Electronic Billboard Study just came today, and provides the status of the actual research phase of the study.

Linda: Please include a copy of this update in the Common Council File extending the sunset date for the

Ed: If this has not gone to City Plan Commission yet, you can attach this also to their information packet on the Ordinance Change.

Robert W. Bryson
Chief Traffic and Lighting Engineer
City of Milwaukee
Department of Public Works
841 N. Broadway, Room 920
Milwaukee, WI 53202
Phone: (414) 286-3244
Fax: (414) 286-3693
E-Mail: robert.bryson@milwaukee.gov

From: Catherine.O'Hara@dot.gov [mailto:Catherine.O'Hara@dot.gov]

Sent: Tue 1/11/2011 2:33 PM

To: caohara1@hotmail.com

Subject: CEVMS Study briefing

Commercial Electronic Variable Message Signs (CEVMS) and Driver Attention – January 11, 2011

The study's primary focus is the effect of CEVMS on driver visual behavior and the evaluation of their potential risk to safety.

Phase I (complete)

The initial phase began in January 2008, and was completed by the Human Centered Systems Team at the Federal Highway Administration's (FHWA) Turner-Fairbank Highway Research Center. This updated an earlier published literature review regarding the distraction potential of CEVMS and reviewed and recommended appropriate research methods and techniques for the second phase. The final report is posted to the FHWA home page at <http://www.fhwa.dot.gov/realestate/>

[out_ad.htm](#)

Phase II (awaiting final report)

The two chosen sites, Reading, Pennsylvania and Richmond, Virginia, have a number of CEVMS displays, together with standard vinyl billboards and other objects of visual interest, along two driving routes each approximately 30 minutes in duration. The research participants drove an FHWA instrument equipped test vehicle. The instrumentation in the test vehicle measured eye-glances of the participant drivers, which will permit the researchers to determine the frequency of glances away from the roadway, the percentage of time that the participant drivers looked at the roadway ahead, and the time that the drivers looked at the CEVMS advertising displays, at standard vinyl billboards, and other selected objects.

An analysis of the on-road eye-tracking data is complete. The FHWA has received a draft report of the results of the data and the report is currently being reviewed. Upon the completion of the review, the final report will be published and released on the FHWA home page at <http://www.fhwa.dot.gov/>. No date is scheduled for the publication of the report. FHWA will notify individuals that have submitted an inquiry relating to this study, when or after the report is published.

If you have questions on the CEVMS Research, please contact Catherine O'Hara at Catherine.O'Hara@dot.gov or 202-366-9901.



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes ZONING CODE TECHNICAL COMMITTEE

TEODROS MEDHIN, CHAIR

Stuart Mukamal, Ed Richardson, Ronald Roberts

**Staff Assistant: Linda Elmer, 286-2232,
lelmer@milwaukee.gov**

Wednesday, January 5, 2011

2:00 PM

Room 301-A, City Hall

Meeting convened: 2:02 P.M.

Also present: Jeff Osterman - Legislative Reference Bureau

Robert Bryson - Dept. of Public Works

Jim Owczarski, Deputy City Clerk, chairing for Mr. Medhin as the Legislative Reference Bureau representative.

Present 2 - Mukamal and Richardson

Excused 2 - Medhin and Roberts

1. 101118

An ordinance extending the expiration date of zoning code regulations relating to off-premise automatic changeable message signs.

Sponsors: Ald. Witkowiak

The extension is for another year until March 2012 as the federal study has not yet been completed. The Department of Public Works, per Mr. Bryson, does support this extension.

Richardson moved, seconded by Atty. Mukamal, that the proposed ordinance met all three Zoning Code Technical Committee criteria. There were no objections.

Meeting adjourned: 2:05 P.M.

Linda M. Elmer

Staff Assistant

NOTICES SENT TO FOR FILE 101118:

[illegible]



Legislation Details (With Text)

File #: 101122 **Version:** 0

Type: Resolution **Status:** In Committee

File created: 12/21/2010 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Resolution accepting the proposal submitted by Ogden Homes LLC to purchase the City-owned vacant lot at 924 North 25th Street for assemblage with its adjacent property, in the 4th Aldermanic District.

Sponsors: ALD. BAUMAN

Indexes: CITY PROPERTY, PROPERTY SALES

Attachments: Land Disposition Report, Fiscal Impact Statement, Hearing Notice List, FIS Fillable Revised

Date	Ver.	Action By	Action	Result	Tally
12/21/2010	0	COMMON COUNCIL	ASSIGNED TO		
1/5/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/5/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number
101122
Version
ORIGINAL
Reference

Sponsor
ALD. BAUMAN

Title
Resolution accepting the proposal submitted by Ogden Homes LLC to purchase the City-owned vacant lot at 924 North 25th Street for assemblage with its adjacent property, in the 4th Aldermanic District.

Analysis
This resolution authorizes the sale of Development Property according to the conditions in a Land Disposition Report pursuant to Section 304-49-7, Milwaukee Code of Ordinances.

Body
Whereas, Ogden Homes LLC is acquiring a 30-unit, foreclosed, apartment building at 940 North 25th Street and has submitted an unsolicited offer to purchase the adjacent City-owned vacant lot at 924 North 25th Street as summarized in a Land Disposition Report, a copy of which is attached to this Common Council File; and

Whereas, Section 304-49-7 of the Milwaukee Code of Ordinances allows the City of Milwaukee ("City") to accept unsolicited offers to purchase property when the City receives fair compensation, whether monetary or non-monetary; and

Whereas, The Department of City Development ("DCD") has reviewed the offer and the development proposal and has determined that the proposed price and development represents fair compensation to the City considering its investment in the neighborhood;

and

Whereas, DCD recommends sale of this lot with closing contingent on DCD approval of final site plans; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the proposal submitted by Ogden Homes LLC for the City-owned vacant lot at 924 North 25th Street is accepted; and, be it

Further Resolved, That the Commissioner of DCD, or designee, is authorized to release any deed restrictions that inhibit development and execute other legal documents on behalf of the City and to close the transaction according to the terms of the Land Disposition Report; and, be it

Further Resolved, That the sale proceeds, less sale expenses and a 30 percent disposition cost reimbursement to the Redevelopment Authority of the City of Milwaukee, shall be credited to the Reserve For Tax Deficit Fund Account No. 0001-334106.

Drafter

DCD/Real Estate

YSL:ysl

12/21/10/A

LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE

RESPONSIBLE STAFF

Yves LaPierre, Real Estate Section (286-5762)

PROPERTY

924 North 25th Street a 50' x 230', 11,500 SF City-owned vacant lot with alley access. The property was acquired in tax foreclosure in 2009.

BUYER

Ogden Homes LLC. Ogden is a real estate development company formed to acquire, renovate and manage property.



PROPOSED DEVELOPMENT

Ogden is in the process of purchasing a 30-unit apartment building at 940 North 25th Street that adjoins the City lot. The building was foreclosed by Wachovia Bank in 2009. Ogden is the current property manager for the building. Ogden will renovate the building at an approximate cost of \$1,000,000 and lease the updated units. The City-owned vacant lot will be used as green space for the residents. Parking may be developed at the rear of the lot off of the alley for a maximum of seven spaces.

OFFER TERMS AND CONDITIONS

The sales price will be \$500.00. Closing must occur by December 31, 2011. The property will be sold "as is." Sale proceeds, less sale expenses and a 30% disposition cost reimbursement to the Redevelopment Authority of the City of Milwaukee, shall be credited to the Reserve For Tax Deficit Fund. Deed restrictions will require that 924 North 25th Street be joined with 940 North 25th Street to create one tax parcel, require that 924 North 25th Street be maintained as green space, except for the parking at the alley, and prohibit selling the City lot separately from the renovated apartment building.



City of Milwaukee Fiscal Impact Statement

A

Date

File Number

☐ Original

☐ Substitute

Subject

B

Submitted By (Name/Title/Dept./Ext.)

C

This File

☐ Increases or decreases previously authorized expenditures.

☐ Suspends expenditure authority.

☐ Increases or decreases city services.

☐ Authorizes a department to administer a program affecting the city's fiscal liability.

☐ Increases or decreases revenue.

☐ Requests an amendment to the salary or positions ordinance.

☐ Authorizes borrowing and related debt service.

☐ Authorizes contingent borrowing (authority only).

☐ Authorizes the expenditure of funds not authorized in adopted City Budget.

D

This Note

☐ Was requested by committee chair

E

Charge To

☐ Department Account

☐ Capital Projects Fund

☐ Debt Service

☐ Other (Specify)

☐ Contingent Fund

☐ Special Purpose Accounts

☐ Grant & Aid Accounts

F

Purpose	Specify Type/Use	Expenditure	Revenue
Salaries/Wages			
Supplies/Materials			
Equipment			
Services			
Other			
TOTALS			

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

<input type="radio"/> 1-3 Years	<input type="radio"/> 3-5 Years	
<input type="radio"/> 1-3 Years	<input type="radio"/> 3-5 Years	
<input type="radio"/> 1-3 Years	<input type="radio"/> 3-5 Years	

H

List any costs not included in Sections E and F above.

I

Assumptions used in arriving at fiscal estimate.

J

Additional information.

NOTICES SENT TO FOR FILE 101122:

[illegible]



Legislation Details (With Text)

File #: 101231 **Version:** 0

Type: Appointment **Status:** In Committee

File created: 1/19/2011 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Reappointment of Michael Van Alstine to the Housing Authority by the Mayor. (5th Aldermanic District)

Sponsors: THE CHAIR

Indexes: APPOINTMENTS, HOUSING AUTHORITY

Attachments: Reappointment Letter, Attendance Record, Biography

Date	Ver.	Action By	Action	Result	Tally
1/19/2011	0	COMMON COUNCIL	ASSIGNED TO		
1/27/2011	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number

101231

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Reappointment of Michael Van Alstine to the Housing Authority by the Mayor. (5th Aldermanic District)

Drafter

CC-CC

TB

1/19/11

January 19, 2011

To the Honorable, the Common Council
of the City of Milwaukee

Honorable Members of the Common Council:

I am pleased to reappoint Mr. Michael Van Alstine, 6970 North 100th Street, Milwaukee, Wisconsin 53224, to the Housing Authority. This reappointment is pursuant to Section 66.1201(5) of the Wisconsin State Statutes and Common Council File Number 78409. Mr. Van Alstine's term will commence upon taking of the oath of office.

I trust this reappointment will have the approval of your Honorable Body.

Respectfully submitted,

A handwritten signature in black ink that reads "Tom Barrett". The signature is written in a cursive, flowing style.

Tom Barrett
Mayor



City Hall, Room 205
200 E. Wells Street
Milwaukee, WI 53202
(414) 286-2221



Office of the City Clerk

Re: Common Council File Number 101231 Reappointment of Michael Van Alstine to the Housing Authority by the Mayor. (5th Aldermanic District)

Dear Sir/Madam,

In accordance with Common Council resolution File Number 65-2210, adopted November 30, 1965, all reappointments are to be referred to an appropriate standing committee.

Under this policy, the appropriate committee is to be informed in writing of the incumbent's attendance record during his/her last term of service.

Please provide the following required information and return immediately to our office for consideration at the Zoning, Neighborhoods and Development Meeting on February 1, 2011.

- Number of meetings held:
- Number of meetings attended:
- Number of excused absences:
- Number of unexcused absences:

Please return this information to Char Rodriguez, Admin. Specialist crodri@milwaukee.gov

Very truly yours,

Ronald D. Leonhardt
Ronald D. Leonhardt

Michael Van Alstine Biography

Michael Van Alstine is the Project Director for the Neighborhood Improvement Program of the Milwaukee Christian Center, and has been recognized by no less than the Common Council of the City of Milwaukee for his distinguished service to the community. He has also received the Civic Involvement Award from Tri-Corp.

This dedication to Milwaukee is exemplified in his work as Project Director of the Neighborhood Improvement Program. Mr. Van Alstine is responsible for the overall administration of the program, which started with a focus on housing rehabilitation and youth employment, but expanded on his watch to also include graffiti removal, community service, wheelchair ramp building and housing production, as well as the addition of YouthBuild, AdultBuild and AmeriCorps participants.

Mr. Van Alstine's commitment to the community extends beyond the office to include involvement in a range of nonprofit and public groups. He is currently Vice-Chair, and the longest-serving Commissioner, of the Housing Authority of the City of Milwaukee Board of Commissioners. He was previously a Board Member of the Housing Trust Fund Advisory Board of the City of Milwaukee, a member of both the City of Milwaukee Health Department's Lead Task Force and the City of Milwaukee's Graffiti Task Force and held several Board and Committee positions with the Walker's Point Development Corporation.

As well as receiving a Bachelor of Science Degree for the University of Wisconsin – Green Bay, Mr. Van Alstine has pursued additional education and trainings, providing new insights to his professional and volunteer commitments. For instance, he is a certified Housing Development Finance Professional with the National Development Council and examples of trainings which Mr. Van Alstine has attended include "HOME Base: Building and Supporting Your Programs with Nonprofits" from the U.S. Department of Housing and Urban Development, "Lead Based Paint and Mold" from the Wisconsin Department of Health and Family Services and the "Lead Supervisor Course" from the Milwaukee Lead Information Center.

Rodriguez, Charlotte

From: Dee, Patricia
Sent: Tuesday, January 25, 2011 12:07 PM
To: Biedrzycki, Mindy; Rodriguez, Charlotte
Subject: RE: reappointment attendance needed
Attachments: Michael Van Alstine Biography Dec 2010.doc

Char –

Per your request for attendance & bio information regarding Michael Van Alstine, a HACM Commissioner whose term expired on December 21, 2010, whom we would like reappointed.

Attached is a one-page bio.

Regarding his attendance, for the 60 HACM Board Meetings during the period December 21, 2005 to November 12, 2010, covering his current term, Commissioner Van Alstine has attended 49 meetings (82%), been excused from 11 meetings (18%) and been absent on zero occasions.

Please let me know if you require any other information and what you expect the timeline for renewal to be.

Thank you!

Patty

Patricia Dee
Executive Assistant to Mr. Tony Pérez and Ms. Bobbi Marsells
Housing Authority of the City of Milwaukee
www.hacm.org
pdee@hacm.org
(414) 286-5671

From: Biedrzycki, Mindy
Sent: Tuesday, January 25, 2011 11:55 AM
To: Rodriguez, Charlotte; Dee, Patricia
Subject: FW: reappointment attendance needed

Thanks, Char. I will have staff complete and return to you. Mindy

From: Rodriguez, Charlotte
Sent: Tuesday, January 25, 2011 11:54 AM
To: Biedrzycki, Mindy
Subject: reappointment attendance needed

Mindy if this needs to go to someone else please advise. Thanks.

Char Rodriguez
Administrative Services Specialist
City Clerk's Office, Room 205
Milwaukee, WI 53202
Phone (414) 286-8797
Fax (414) 286-3456
croдри@milwaukee.gov

1/25/2011



Legislation Details (With Text)

File #: 100185 **Version:** 0

Type: Resolution **Status:** In Committee

File created: 5/25/2010 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Resolution amending the Term Sheet for The Moderne project in Tax Incremental District No. 48.

Sponsors: THE CHAIR

Indexes: TAX INCREMENTAL DISTRICTS, TAX INCREMENTAL FINANCING

Attachments: Cover Memo.pdf

Date	Ver.	Action By	Action	Result	Tally
5/25/2010	0	COMMON COUNCIL	ASSIGNED TO		

Number

100185

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Resolution amending the Term Sheet for The Moderne project in Tax Incremental District No. 48.

Drafter

DCD:JS:js

05/25/10/A



Department of City Development

City Plan Commission
Neighborhood Improvement
Development Corporation
Redevelopment Authority

Rocky Marcoux
Commissioner

Martha L. Brown
Deputy Commissioner



Milwaukee's Future: IT'S IN OUR HANDS

www.milwaukee.gov/2010census

May 25, 2010

MEMO TO: Honorable Common Council of the City of Milwaukee
FROM: Rocky Marcoux, Commissioner
SUBJECT: Title Only File for Introduction on May 25, 2010

The Department of City Development respectfully requests introduction of the attached title only resolution to provide a means by which the City of Milwaukee and the Developer may respond to changes to The Moderne project financing, in Tax Incremental District No. 48, if proposed by the U.S. Department of Housing and Urban Development.

Your consideration of this request is appreciated.

Attachment

c: Ald. Hines, President, Common Council
Ald. Bauman, 4th Aldermanic District
Ald. Witkowiak, Chair, ZND Committee



Legislation Details (With Text)

File #: 090805 **Version:** 1

Type: Resolution **Status:** In Committee

File created: 10/13/2009 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Substitute resolution approving the terms of a Cooperation and Development Agreement for the property located at 700 East Kilbourn Avenue, in the 4th Aldermanic District.

Sponsors: ALD. BAUMAN

Indexes: HOUSING, PLANNED UNIT DEVELOPMENTS

Attachments: Letter from Comptroller's Office as of 11-19-09, Letter from Comptroller's Office as of 10-23-09, Economic Feasibility Study as of 10-22-09, Fiscal Analysis, Letter from DCD Transmitting Human Resources Agreements, Term Sheet as of 11-16-09, Exhibit A to Term Sheet as of 11-2-09, Term Sheet as of 10-21-09, Pictures from Kindness Architecture, Letter from HUD to Love Funding, Fiscal Note, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
10/13/2009	0	COMMON COUNCIL	ASSIGNED TO		
10/21/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	CITY CLERK	DRAFT SUBMITTED		
10/23/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/27/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
11/2/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
11/2/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
11/3/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	4:0
11/16/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
11/16/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
11/24/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	3:2
12/1/2009	1	COMMON COUNCIL	REFERRED TO	Pass	14:0

Number
090805
Version
SUBSTITUTE 1
Reference

Sponsor
ALD. BAUMAN
Title

Substitute resolution approving the terms of a Cooperation and Development Agreement for the property located at 700 East Kilbourn Avenue, in the 4th Aldermanic District.

Analysis

This substitute resolution approves the terms of a Cooperation and Development Agreement for the purpose of providing a loan guarantee for the construction of the Bookends project.

Body

Whereas, The Common Council of the City of Milwaukee, in accordance with the Economic Feasibility Study for the proposed Bookends project, desires to enter into a Cooperation and Development Agreement among the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee and Bookends North LLC to provide loan guarantee assistance for the Bookends project in an amount not to exceed \$3,450,000 to support the original principal amount of a subordinate loan the developer will obtain for the project in accordance with a Term Sheet, a copy of which is attached to this Common Council File; and

Whereas, The loan guarantee for the Bookends project will provide that in the event of a monetary default by the developer to its subordinate lender, the full amount of the City guarantee, in an amount not to exceed \$3.45 million, will be payable by the City to the developer's subordinate lender; now, therefore, be it

Resolved, That the Common Council of the City of Milwaukee, approves the Term Sheet for the Bookends Cooperation and Development Agreement; and, be it

Further Resolved, That the Common Council authorizes up to, not to exceed, \$3,450,000 in the form of a loan guarantee for the Bookends project in accordance with the Term Sheet for the Bookends Cooperation and Development Agreement; and, be it

Further Resolved, That an amount not to exceed \$3,450,000 of Contingent Borrowing shall be reserved for the term of the City's obligations under the loan guarantee and may be used for payment of the City's loan guarantee obligation to the developer's subordinate lender in the event of a default by the developer, which would require payment on the loan guarantee; and, be it

Further Resolved, That the City declares its intent to borrow for any such expenditures using traditional tax-exempt bonds, special revenue bonds or other financing options that may be available to the City; and, be it

Further Resolved, That the proper City officials are directed to enter into a Cooperation and Development Agreement with the Redevelopment Authority of the City of Milwaukee and the developer for the purpose of implementing the Bookends project and related loan guarantee provisions on terms substantially in accordance with said Term Sheet for the project.

Drafter

CA:DMB:dmb

10/22/09



Office of the Comptroller
November 19, 2009

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

Members of the Zoning, Neighborhoods
& Development Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

RE: File 090805 Proposed Loan Guaranty for the Bookends Apartments

Dear Committee Members:

File 090805 would provide a loan guaranty related to the construction of a \$60 million apartments-retail-parking Project to be located at 700 East Kilbourn Avenue. The City would guarantee repayment of a private loan in the amount of \$3,450,000 to assist in financing the Project.

Our Project evaluation cannot be completed due to several significant issues identified below which as of the date of this letter are not finalized or negotiated. Thus we are unable to reach any definitive conclusions about project financing, including the proposed City guaranty. We are unable to provide your Committee with a financial assessment of the benefits and risks of proceeding with this Project. We therefore recommend that your Committee require the issues below be addressed prior to your consideration of this Project.

In contrast, when your Committee considered the Moderne project, the following items had been agreed upon. However, for the Bookends Project:

1. A lender/investor for a proposed \$3.45 million subordinated loan to the Project has not yet been identified.
2. Due to 1) above, **the terms of the City's financial commitment to this project have yet to be negotiated.** This involves reaching agreement with a lender on the terms of both the City guarantee and the loan being guaranteed by the City.
3. The Bookends Apartment Project has not yet received an invitation from HUD to apply for a \$51.75 million HUD/FHA guaranteed loan.
4. The Bookends Project requires a HUD waiver on the maximum per unit cost HUD will allow. The Developer has not yet received this waiver. Without the waiver, the HUD/FHA guaranteed loan would be reduced from the proposed \$51.75 million to \$45 million creating an immediate financing gap and related delay.
5. The design drawings for the Project have apparently recently been completed and are currently under review by DCD. Current budget estimates are based upon conceptual/schematic drawings without the benefit of a detailed design. Until detailed design is complete, no actual construction bidding can occur. With only a 3% budgeted design contingency, the construction budget could increase, creating an immediate financing gap and related delay.

Located on the northeast corner of Kilbourn and Van Buren Avenues, the Project would consist of nineteen floors and include 224 apartment units, 292 parking spaces on the first five floors and 3,000 square feet of retail space on the first floor. The average monthly rent of the 224 apartment units would be \$2,220. Rents per parking space would be an additional \$115 per month. Developer is Bookends North LLC, which is 50% owned by New Land Enterprises and 50% owned by Weichman Enterprises.

Total project costs for the Bookends apartments are \$60.2 million, supported by \$51.75 million HUD 221(d) 4 guaranteed loan, \$5 million in past Developer investment and new equity (a portion of which is in the form of a deferred developer fee), and a \$3.45 million unsecured subordinated bank loan. The City's loan guaranty would provide the security necessary for a private lender to provide the Developer with \$3.45 million in loan proceeds.

The proposed sources and uses of funding are as follows:

<u>Sources</u>		<u>Uses</u>	
HUD 221 (d) 4 Loan	\$ 51,750,000	Land & Hard Costs	\$ 46,669,000
Developer Past & New Equity	5,000,000	Soft Costs	11,123,000
Unsecured Subordinated Loan	3,450,000	Developer Fee & Overhead	2,408,000
TOTAL	<u>\$ 60,200,000</u>	TOTAL	<u>\$ 60,200,000</u>

Our letter comments are below are based on the assumed acceptance of City proposed loan and guaranty terms by HUD and an unidentified subordinate lender.

Project Financing and City Guaranty

The primary funding source of the Bookends Apartments Project is a proposed HUD 221(d) 4 program, which provides FHA mortgage insurance to HUD approved lenders. The mortgage insurance protects the lender, potentially the AFL-CIO Investment Trust, from risk of default. The term of this loan would be 40 years plus the construction period. The assumed interest rate would be approximately 6.25%. The Love Financial Group would service this loan.

Developer equity is the second largest source of funding. Developer equity consists of \$2.6 million in land acquisition costs and \$2.4 million of deferred developer fees. The \$2.6 million identified as "land acquisition cost" is the amount required to retire principal and accrued interest on a prior Developer loan used to acquire the site. As a portion of the \$2.6 million is apparently to be funded through the use of HUD 221 (d) 4 loan proceeds, it is not clear what actual cash equity amount is being provided. The remaining \$2.4 million of developer equity is in the form of deferred developer fees, which Developer receives to the extent the Project generates net revenues during its operation and upon ultimate sale of the Project.

The third largest funding source is a proposed unsecured¹ subordinated loan (\$3,450,000). Developer was unable to get a loan commitment from a private lender to provide this loan. However, Developer is working through a broker, seeking a lender to provide this loan backed by the City guaranty. The estimated term of the subordinate loan is seven years, including an assumed two year construction period. As the repayment of this loan is subordinate to the HUD 221 (d) 4 loan, it carries a higher interest rate, currently estimated at 9%. The loan would require interest only through its term, with a balloon payment in the final year. This loan would be supported only from available operating cashflows from the Project, having no claim on Project assets. Any annual cashflow shortfall would fall to the City guarantee described below.

The term of the proposed City guaranty is seven years to match the loan being guaranteed. For providing the guaranty, the City will assess an origination fee of 2% of the amount to be guaranteed to be paid at closing. In addition, the City will assess an annual maintenance fee of 2% during construction and the first year of operation and 4% thereafter. The annual maintenance fees would only be paid to the extent that there are net revenues, that is, only to the extent the Project generates sufficient net cash flow. The Term Sheet requires first lien personal guarantees of the Developer partners of \$1.65 million to be applied should the City's guaranty be called upon.

¹ The sole security for loan repayment is the proposed City of Milwaukee guaranty.

At this time, neither the HUD loan guaranty nor unit price waiver has been granted. Because a subordinate lender has not yet been identified, the terms of this loan have not been negotiated and are simply the Department's proposed loan terms. The actual terms of the HUD loan and the subordinate loan could be substantially different from those proposed by the City, so our comments above may or may not apply.

Is the Project Likely to be Successful?

Once the design is complete and the general contractor's not-to-exceed bid acquired, construction risks would be manageable given the controls to be implemented by the City. Should the Bookends Apartments Project secure \$51.8 million in FHA guaranteed loan funds, the City of Milwaukee benefits from the underwriting standards established by HUD in making the HUD guaranty decision. Also, with completion of the design, the general contractor (KBS) for the project will be providing a guaranteed maximum price contract for the construction costs. While its pre-design estimate was about 5.5% higher than the construction budget, the DCD consultant² concluded that the KBS construction costs were reasonable.

As a \$60+ million high rise downtown construction project working against a 19 month construction deadline, the Project is subject to material Project completion risks. Also, without the benefit of completed design drawings reviewed by the City, the construction budget could increase, creating an immediate financing shortfall and related delay. The DCD indicated today that it is currently in the process of reviewing the design drawings.

Operational risks to both the Project and the City depend on the continued performance of the Project. Project performance in turn depends upon the lease up of the 224 apartment units at projected rent levels. Average monthly apartment rents are projected to total \$2,220, or \$2.09 per square foot, with \$115 per month per parking space. Developer has conducted two market analyses – both of which support his estimates of projected rent. However, the DCD financial consultant, S.B. Friedman & Co. observed that these rent levels "...are projected to be above the current high end...in Downtown Milwaukee"³. Currently the highest local market rents range from \$1.80 to \$1.90 per square foot. Achieving these higher lease rates is clearly at issue. Should the project not lease up or if pro forma rents are substantially below projected levels, the project is not likely to generate sufficient cash flow to service the debt of the subordinated \$3.45 million loan, thereby triggering a call on the City guarantee.

As mentioned above, the terms of both the City loan guaranty and the subordinate loan have yet to be negotiated, so it is impossible for our Office to reach any definitive conclusions regarding this financing.

Is the Proposed Level of City Assistance Necessary?

As the HUD 221 (d) 4 loan is secured by a first mortgage lien against the Project, the remaining \$3.45 million of the Project that is to be supported by debt is unsecured (except for the City guaranty) and subordinate in terms of repayment to the HUD loan. It is unlikely that a private letter of credit guaranty could be obtained under current credit market conditions. Therefore, the City's loan guaranty or additional Developer equity is required to complete the Project financing.

S.B. Friedman characterizes the projected 23% return as "...at the higher end of the range observed... for speculative real estate development projects."⁴. Even given the inherent Project risks noted above, we concur with the DCD consultant analysis that the projected Developer returns seem very high. **A 23% annual rate of return (IRR) on the Developer investment over the project's projected 10 year life is beyond what we would expect.** Given our earlier noted question about the actual Developer's cash equity contribution to be made at closing, the ultimate annual return to Developer could exceed 23%. The above conclusions are based on projected cashflows provided by the DCD financial consultant, S. B. Friedman & Company and the assumed financing structure and terms.

² The Concord Group, a engineering consulting firm

³ Proposed Bookends Project and TID: Economic Feasibility Study, S.B. Friedman & Co. 10/2010; page 5.


⁴ Ibid, page 7.

Initial Conclusions & Recommendations

1. We recommend that your Committee require the Project readiness issues be addressed prior to your consideration of this Project. See page one of this letter.
2. Given the 23% projected annual average return to the Developer and related project completion and occupancy risks placed upon the City guaranty, **the City should negotiate either a full collateralization of the City's \$3.45 million guarantee through personal guarantees by the Developer, or meaningful "upside" profit participation by the City.**
3. This Project continues the precedent established with the Moderne Project of the City providing direct financial assistance to high end residential housing projects. As was the case with the Moderne, if successful, the Bookends Project would create an additional estimated \$35 million tax base downtown as well as valuable construction jobs during a severe recession. However, ultimately City officials will need to decide on what priority the financing of high end residential projects hold versus other more conventional City purposes such as streets, sewers, low income housing, etc.

Should you have any questions about this letter, please contact me.

Sincerely,



W Martin Morics
Comptroller

Cc Mayor Tom Barrett, Commissioner Marcoux, Lori Lutzka
WMM/CK/MD/11-19-09



Office of the Comptroller

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

October 23, 2009

Members of the Zoning, Neighborhoods
& Development Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

RE: File 090805 Proposed Loan Guaranty for the Bookends Apartments

Dear Committee Members:

File 090805 would provide a loan guaranty related to the construction of the Bookends Apartment project to be located at 700 East Kilbourn Avenue. We are unable to provide a review to the Committee as we have not received basic information necessary for analysis, including a term sheet, feasibility study or project plan for the project. Based upon copies of emails we received as late as Wednesday, October 21st, the terms of this possible project were still being negotiated between DCD and the developer. Should these entities reach agreement, once we receive and analyze the necessary documents from DCD, we will provide our report on the project to the Committee. Please contact me, should you have any questions regarding this letter.

Sincerely,



W. MARTIN MORICS
Comptroller

Cc: Mayor Tom Barrett
Commissioner Marcoux

City of Milwaukee
Proposed Bookends Project and TID (TID#X)

Economic Feasibility Study

TABLE OF CONTENTS

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2. Need for Financial Assistance	3
3. Incremental Property Tax Revenues.....	11

Appendix: Construction Cost Review Summary

S. B. Friedman & Company
221 N. LaSalle Street
Chicago, IL 60601-1302
Phone: 312/424-4250; Fax: 312/424-4262

www.friedmanco.com

1. Project Description and Study Approach

The site of the proposed Bookends project (“Project”) is located at the northeast corner of Kilbourn and Van Buren Avenues in downtown Milwaukee. As proposed, the 19-story Bookends will include rental apartments, structured parking, and street-level retail space. The proposed program specifically includes:

- **Apartments**—238,000 square feet for 224 units on floors six through 19.
- **Structured Parking**—292 spaces on floors one through five.
- **Retail**—3,000 square feet of retail on the first floor.

Bookends North, LLC (“the Developer”) is a Wisconsin Limited Liability Company owned 50% by New Land Development, LLP and 50% by Wiechman Enterprises. The ownership structure as the project proceeds has not been finalized at this time, but organization documents and final structure will be provided within the next 1-2 months.

The Developer has requested a loan guarantee (“City Guarantee”) from the City of Milwaukee (“the City”) for the Project. The City Guarantee would secure the principal balance of a proposed loan that would be provided by a subordinate lender (“Subordinate Loan”). The proposed loan guarantee amount is **\$3.45 million**. Additional detail on the proposed City assistance parameters is included in the “Financing Structure” section in Chapter 2.

To support the City Guarantee to the Bookends project, the City is proposing the creation of a Tax Incremental District (TID) that would encompass only the Project. Unlike typical TIDs in Milwaukee, this TID would be a contingent mechanism to provide protection to the City’s general fund if the guarantee needs to be funded. Additional detail on the proposed TID is included in Chapter 3.

Study Approach

In addition to reviewing the developer’s overall pro forma for the Bookends project, *S.B. Friedman & Company* (“*SBFCo*”), in conjunction with construction consultants The Concord Group (“Concord”), reviewed and considered the following key factors affecting the TID feasibility of the proposed project:

- Construction cost budget and supplemental information provided by KBS on behalf of the developer
- Key financing assumptions embedded in the Developer’s pro formas
- Assessment techniques and assumptions likely to be used as a basis for property taxation, based on key informant interviews with the City of Milwaukee Assessor’s Office
- Real property assessment data from the City Assessor’s Office on the Project taxkeys

- Real property assessment data for other comparable properties elsewhere in Milwaukee to validate the potential assessed valuation of the project
- Potential bonding assumptions as provided by DCD and the Office of the City Comptroller to be used in evaluating financing capacity

DRAFT

2. Need for Financial Assistance

Pursuant to our engagement with the City of Milwaukee, *SBFCo* reviewed key assumptions included in the developer's pro forma for the Bookends project, as well as the resulting implications on the need for a City Guarantee.

Project Costs, Revenues, and Financing Parameters

SBFCo, with the assistance of Concord, reviewed costs, revenues, and financing structure/parameters included in the developer's proposed project budget.

The Project is anticipated to obtain support for its senior debt via the HUD 221(d)(4) loan guarantee program. In this program, HUD provides the senior lenders for rental apartment projects with a financial guarantee, provided the project is underwritten within HUD standards, which include certain requirements as to maximum loan size, required reserves, and mortgage insurance payments. In turn, this guarantee allows the project to raise capital at attractive rates and a 40-year amortization schedule. The 221(d)(4) loan is anticipated to fund approximately 86% of project costs.

Market Studies

As part of the HUD underwriting parameters, the Developer provided two rental apartment market studies – the first by Tracy Cross & Associates (completed in August of 2008), and the second by Integra Realty Resources (completed in July of 2009). These market studies suggest the following:

- Little new supply has been added to the Milwaukee rental market over the past several years, and condominium conversions are removing some rental product (including the high-end Lake Bluff) from the market.
- Demand is likely to exist for additional luxury rental apartment units in the Downtown Milwaukee market over the next several years, and this demand is sufficient to occupy the proposed project at a reasonable capture rate.
- The studies identify rents in the \$1.80 to \$1.90 per square foot per month range as the highest observed to date in the Milwaukee market. However, based on the lack of recent construction activity (and therefore the fact that the Bookends would be substantially newer than other luxury product), plus the fact that the Bookends is proposed with a higher amenity/finish level than the comparables, both studies suggest Bookends could achieve rents at the proposed \$2.09 per square foot level.

The Developer has indicated that, to be conservative, the pro forma submitted to the City reflects rents of \$2.09 per square foot, the base rent established by Integra, plus one-time amenity fees and other minor fee income. As noted by the Developer, however, the Integra study suggests view premiums and height premiums could yield additional rent of \$0.28 per square foot and net operating income of approximately \$340,000 per year.

Developer Pro Forma

SBFCo's review of the Developer's pro forma yielded the following key observations regarding costs and revenues:

- **Construction Costs.** The Developer's pro forma carries \$43.4 million in construction costs, which are tied to a KBS estimate that the Developer has provided. Based on HUD requirements, it is *SBFCo's* understanding that KBS will need to provide a Guaranteed Maximum Price (GMP) contract for the construction prior to finalization of the 221(d)(4) guarantee. Concord reviewed construction cost estimates provided by KBS in light of the schematic-level design information available at this stage in the proposed project. Concord found that the KBS estimates were reasonable, and that current construction market conditions are allowing for favorable pricing from contractors. Concord's estimate carried a 3% design contingency based on the schematic level of design, which was either not reflected in the KBS estimate, or was blended into other line items. This recommendation is in line with a 3% contingency being carried at the Developer level in the Project budget to address such issues as cost increases during design refinement prior to the finalization of the GMP contract. Also, the HUD-required Working Capital Reserve of \$1 million can provide additional protection against cost overruns. A summary of Concord Group's review is contained in the Appendix to this report.
- **Soft Costs.** Soft costs, including architecture, engineering, and HUD-required reserves comprise approximately 20% of Total Development Costs, excluding land and developer fee. This percentage is higher than the 17% *SBFCo* has observed on average for soft costs in urban mixed-use redevelopment projects. However, this discrepancy appears to be primarily attributable to two factors:
 - The inclusion of a sizeable reserve for the first operating year of the project, in which the Developer anticipates less than 50% average occupancy as the project leases up. Therefore, a \$2.1 million reserve is included to cover the anticipated difference between Net Operating Income and debt service in that first year
 - Inclusion of additional financing costs such as interest paid by the Developer on a predevelopment loan and a capitalized reserve to pay the City Guarantee fees during the construction and initial operating period.
- **Developer Fee.** Developer Fees are limited to \$2.4 million, or 4.0% of total Project costs—in line with typical ranges for projects of this type. Per the proposed terms of City assistance, the Developer has the option to defer up to 100% of these fees and subordinate them to the Senior and Subordinate loans. Any such deferrals would be counted as Developer Equity for the purposes of meeting the City's minimum total Developer Equity requirement of \$5.0 million (see "Developer Equity" below). If deferred, the fees would be paid from net cash flow of the project after completion, as opposed to funded during construction from a source in the development budget.
- **Lease Revenues.** The projected revenue stream for the Bookends project is derived from the rent schedules for apartment units, parking spaces, and retail space. Once the project

reaches stabilization in 2014, the annual gross income is projected at approximately \$6 million from apartments, \$475,000 from rentable apartment parking spaces, and \$63,000 from the retail space. Apartment rents are projected to be above the current high end of the observed spectrum in Downtown Milwaukee at approximately \$2.09 per square foot at stabilization.

- **Operating Expenses.** The Developer intends to lease the retail space on a net basis, with pass-throughs of real estate taxes, common-area maintenance and other typical expenses to the tenants. The Developer also plans to charge apartment tenants for water and sewer usage, offsetting a portion of those utility expenses. Operating expenses for the apartment component of the project are projected at 28% of rental revenues, which is in the low range for newly constructed apartment projects based on reviews of benchmark sources such as Institute of Real Estate Management (IREM) surveys and pro formas for other rental apartment projects. The Developer has indicated that the operating expense projections are primarily based on actual experience with operations of the Jefferson Block project in the Third Ward.

Financing Structure

The proposed financing for the Project includes four key funding components:

- **HUD 221(d)4 Debt.** The primary financing for the Project will be a HUD 221(d)4-enhanced senior loan (“Senior Loan”) of approximately \$51.75 million, funded by an investor to be determined (currently anticipated to be the AFL-CIO) and serviced by Love Funding. The term of this loan will be the construction period plus 480 months of amortization. Love Funding is seeking a waiver on certain HUD cost limitations to reach a loan size of \$51.75 million, but indicates that this accommodation is likely to be granted. Grant of this waiver appears to be an important component of the funding structure for the Project—without this, the maximum Senior Loan amount would likely be about \$45.1 million.

Payments will be interest-only during the construction period, funded from a capitalized interest reserve. After completion, level monthly debt service payments commence such that the loan would be fully amortized over 480 months. These payments also include a mortgage insurance charge equal to 45 basis points on the principal amount of the loan. Interest is fixed for the entire 40+ year period, and is anticipated to be based on a spread over the yield on 10-year Treasuries at the time the rate is locked. For the purposes of pro forma analysis, the Developer and *SBFCo* used a 6.25% assumed interest rate—somewhat higher than the rate would be if the rate was locked today.

- **Developer Equity.** The terms of the City’s proposed assistance require the Developer’s total equity contribution to the Project to be at least \$5.0 million, of which at least \$2.6 million must be a cash contribution. For the purposes of evaluating equity returns, *SBFCo* assumed that the Developer Equity component would be comprised of:
 - Cash equity that will be funded at the Project financial closing (\$2.6 million)

- 100% deferral of the \$2.4 million Developer Fee until after completion, when it would be paid from cash flow from the property, rather than loan proceeds

Per the proposed terms of the transaction, the Developer has flexibility to substitute additional cash equity contributions for fee deferrals.

- **City Guarantee/Subordinate Loan.** The City would provide a City Guarantee in the amount of up to \$3.45 million, which would be used to secure a Subordinate Loan to the project. While the Developer has not provided a statement of proposed terms from a Subordinate Lender, the terms carried in the City's proposed assistance package are reflective of the Developer's discussions with multiple prospective funders. This Subordinate Loan is anticipated at a 9% interest rate, and would be sourced by a private provider (anticipated to be Emerald Isle Investment Partners). This Loan would not be secured by the Project property, due to restrictions typically imposed by HUD on second mortgages. Instead, if the Developer defaulted on debt service payments to the Subordinate Lender, the City would pay out the full amount of the City Guarantee (restricted to the original principal amount of the Guarantee) and assume ownership of the loan itself. Payments on the Subordinate Loan would be interest-only with a full "balloon" repayment at the end of the loan term. The proposed terms of the City Guarantee and Subordinate Loan are similar, at approximately 7 years—the construction period plus five operating years. However, per the proposed terms of the City Guarantee, the Guarantee would expire prior to the Subordinate Loan, thus protecting the City from refinance risk.

The proposed deal terms call for the Developer to in turn provide the City with security for its Guarantee. Specifically, the Developer would provide the City with a senior and exclusive lien on satisfactory collateral separate from the Project, as well as personal guarantees from the key principals of the Developer entity. To the extent allowable by HUD, the City would also be granted a second mortgage on the Project property. The City Guarantee is proposed to carry a 2% origination fee to be paid to the City at closing, and it would also carry an annual maintenance fee to be paid to the City on a subordinate basis to debt service on the Senior and Subordinate Loans. This fee would be 2% per year during the construction period and first operating year, and 4% per year during each additional year in which the guarantee remains in place.

Projected Developer Returns

In order to evaluate the need for assistance in the form of a City Guarantee, *SBFCo* calculated:

- **Equity Returns** expressed as an annual yield on investment and an overall internal rate of return (IRR) with the proposed level and structure of assistance. This calculation is based on the developer's estimated equity contribution (described in "Developer Equity" above), annual net cash flow after expenses and debt service, and the income from an assumed hypothetical sale of the property in Year 11.

- **Returns on Cost** in terms of annual yield on project cost and overall unleveraged IRR. This calculation is based on a comparison between annual project income before debt service and total project cost.

Tables 1 through 3 on the following pages show the Sources and Uses of Funds, projected operating revenues and expenses, and the resulting projected cash flows and returns.

RETURNS ON EQUITY

SBFCo's return calculation yields a projected leveraged IRR on equity of about 23%. In the first stabilized year (Year 3), cash return on equity is projected at 12.4%. This return is at the higher end of the range observed at the pro forma stage for speculative real estate development projects.

RETURNS ON COST

SBFCo also projected IRR on total project cost (or "unleveraged IRR") based on the initial unleveraged total project cost less projected project income before debt service. This calculation yielded an unleveraged IRR projection of 10.0%. *SBFCo* benchmarked these returns to national data on apartment projects from PriceWaterhouseCoopers/Korpacz Investor Survey for the Fourth Quarter of 2008. The Korpacz survey indicates a market average for multi-family apartments of about 8.3% and an observed market range of 6% to 10.5%. Because this index is primarily composed of purchases of existing cash-flowing assets, as opposed to proposed development projects, it is appropriate that the Bookends project would have a somewhat higher projected return on cost. Annual yield on cost in the first stabilized year is projected at 8.1%-within a typical range.

City of Milwaukee
Bookends Loan Analysis

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Table 1: Sources and Uses of Funds

			TOTAL	Incurred to Date	To be Incurred	% of Cost
USES						
Land						
Land Acquisition			\$ 2,000,000	\$ 2,000,000		
Predevelopment Carry Costs			\$ 10,453	\$ 10,453		
Total Land			\$ 2,010,453	\$ 2,010,453	\$ -	
Hard Costs						
Construction GMP from KBS			\$ 43,364,440		\$ 43,364,440	
Design Contingency	3%		\$ 1,300,933		\$ 1,300,933	
Total Hard Costs			\$ 44,665,373	\$ -	\$ 44,665,373	
Soft Costs						
Market Studies			\$ 59,540	\$ 59,540	\$ -	
City Underwriting Costs			\$ 58,000	\$ 58,000	\$ -	
Architecture and Engineering			\$ 1,070,000	\$ 520,000	\$ 550,000	
Predevelopment Engineering			\$ 66,045	\$ 66,045	\$ -	
Predevelopment Legal			\$ 10,282	\$ 10,282	\$ -	
Legal			\$ 50,000		\$ 50,000	
Survey			\$ 6,969	\$ 6,969	\$ -	
Insurance			\$ 75,000		\$ 75,000	
Accounting			\$ 81,286	\$ 1,286	\$ 80,000	
Job Representative			\$ 250,000		\$ 250,000	
Construction Interest Reserve- Senior Loan	60%	avg drawn	\$ 3,072,656		\$ 3,072,656	
Real Estate Taxes- Predevelopment			\$ 36,506	\$ 36,506	\$ -	
Taxes During Construction			\$ 450,000		\$ 450,000	
EBE Consultant			\$ 75,000		\$ 75,000	
Marketing/Model Costs			\$ 350,000		\$ 350,000	
FF&E			\$ 42,500	\$ -	\$ 42,500	
Retail TI Allowance	\$50	psf	\$ 150,000		\$ 150,000	
Love Funding- Non-Refundable Deposit			\$ 36,500	\$ 36,500	\$ -	
Love Funding Brokerage Fee	0.75%	Principal	\$ 388,125		\$ 388,125	
Subordinate Loan Brokerage Fee	1.50%	Principal	\$ 51,731		\$ 51,731	
HUD Cost Certification Audit Fee			\$ 25,000		\$ 25,000	
HUD Market Study			\$ 10,000		\$ 10,000	
HUD Title & Recording			\$ 25,000		\$ 25,000	
HUD Legal Fee			\$ 40,000		\$ 40,000	
HUD Borrower's Organization Fee			\$ 64,700		\$ 64,700	
HUD GNMA Placement Fee			\$ 10,700		\$ 10,700	
HUD Insurance			\$ 21,000		\$ 21,000	
HUD Mortgage Insurance Premium Reserve	0.9%	of HUD Loan	\$ 465,750		\$ 465,750	
HUD Application Fee	0.3%	of HUD Loan	\$ 155,250		\$ 155,250	
HUD Inspection Fee (.5%)	0.5%	of HUD Loan	\$ 258,750		\$ 258,750	
Working Capital Escrow	2.0%	of HUD Loan	\$ 1,035,000		\$ 1,035,000	
Initial Operating Deficit Reserve (HUD Requirement)			\$ 2,115,733		\$ 2,115,733	
City Guarantee/LC Fee	2%	of Guarantee	\$ 68,975		\$ 68,975	
Capitalized Guarantee LC Fees	2%	3 years	\$ 206,925		\$ 206,925	
Predevelopment Interest			\$ 240,000		\$ 240,000	
Total Soft Costs			\$ 11,122,923	\$ 795,128	\$ 10,327,796	
Developer Fees and Overhead						
Developer Fee			\$ 2,408,281	\$ -	\$ 2,408,281	4.0%
Total Developer Fees and Overhead			\$ 2,408,281	\$ -	\$ 2,408,281	
TOTAL DEVELOPMENT COSTS			\$ 60,207,031	\$ 2,805,581	\$ 57,401,450	
SOURCES (after closing of HUD Loan)						
Developer Cash Equity			\$ 2,600,000	\$ 2,600,000	\$ -	4.3%
Deferred Developer Fee	100%		\$ 2,408,281		\$ 2,408,281	4.0%
Subordinate, Un-Secured City-Guaranteed Loan			\$ 3,448,750		\$ 3,448,750	5.7%
Love Funding/HUD Senior Loan			\$ 51,750,000	\$ 205,581	\$ 51,544,419	86.0%
TOTAL SOURCES			\$ 60,207,031	\$ 2,805,581	\$ 57,401,450	

Source: Bookends North, LLC and S. B. Friedman & Company

City of Milwaukee
Bookends Loan Analysis

Table 2: Operating Income Calculation

	GLA	Units/Spaces	Monthly Rent per Unit/Space/Sq. Ft.	Annual Rent per Unit/Space/Sq. Ft.	Total Annual Rent
Apartments	237,972	224	\$ 2,222.97	\$ 26,675.63	\$ 5,975,340
Parking	N/A	292	\$ 135.00	\$ 1,620.00	\$ 473,040
Retail	3,000	N/A	\$ 1.83	\$ 22.00	\$ 66,000
TOTAL					\$ 6,514,380

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		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Revenue Growth			2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Expense Growth			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Occupancy:												
Apartments		47%	91%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Parking		47%	91%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Retail		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Rental Revenue												
Apartments	\$ 2,222.97	\$ 2,800,941	\$ 5,572,291	\$ 5,993,077	\$ 6,157,887	\$ 6,327,229	\$ 6,501,228	\$ 6,680,012	\$ 6,863,712	\$ 7,052,464	\$ 7,246,407	\$ 7,445,683
Water/Sewer Fee	\$ 0.13	\$ 14,501	\$ 28,078	\$ 30,198	\$ 31,028	\$ 31,881	\$ 32,758	\$ 33,659	\$ 34,585	\$ 35,536	\$ 36,513	\$ 37,517
1-Time Amenity Fee (45% ann turnover)	\$ 200.00	\$ 10,412	\$ 20,160	\$ 21,682	\$ 22,279	\$ 22,891	\$ 23,521	\$ 24,168	\$ 24,832	\$ 25,515	\$ 26,217	\$ 26,938
Other Misc Income		\$ 19,000	\$ 100,000	\$ 102,750	\$ 105,576	\$ 108,479	\$ 111,462	\$ 114,527	\$ 117,677	\$ 120,913	\$ 124,238	\$ 127,655
Parking	\$ 135.00	\$ 221,738	\$ 441,133	\$ 474,444	\$ 487,491	\$ 500,897	\$ 514,672	\$ 528,826	\$ 543,368	\$ 558,311	\$ 573,664	\$ 589,440
Retail	\$ 1.83	\$ 59,400	\$ 61,034	\$ 62,712	\$ 64,436	\$ 66,209	\$ 68,029	\$ 69,900	\$ 71,822	\$ 73,797	\$ 75,827	\$ 77,912
Total Rental Revenue		\$ 3,125,992	\$ 6,222,695	\$ 6,684,864	\$ 6,868,697	\$ 7,057,587	\$ 7,251,670	\$ 7,451,091	\$ 7,655,996	\$ 7,866,536	\$ 8,082,866	\$ 8,305,145
Operating Expenses												
Apartments		\$ (679,766)	\$ (913,948)	\$ (975,789)	\$ (995,305)	\$ (1,015,211)	\$ (1,035,515)	\$ (1,056,225)	\$ (1,077,350)	\$ (1,098,897)	\$ (1,120,875)	\$ (1,143,292)
Parking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Expenses												
Apartments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses		\$ (679,766)	\$ (913,948)	\$ (975,789)	\$ (995,305)	\$ (1,015,211)	\$ (1,035,515)	\$ (1,056,225)	\$ (1,077,350)	\$ (1,098,897)	\$ (1,120,875)	\$ (1,143,292)
Annual Real Estate Taxes												
Apartments	\$ 3,348.21	\$ (356,250)	\$ (726,750)	\$ (741,285)	\$ (756,111)	\$ (771,233)	\$ (786,658)	\$ (802,391)	\$ (818,439)	\$ (834,807)	\$ (851,503)	\$ (868,534)
Total Annual Real Estate Taxes		\$ (356,250)	\$ (726,750)	\$ (741,285)	\$ (756,111)	\$ (771,233)	\$ (786,658)	\$ (802,391)	\$ (818,439)	\$ (834,807)	\$ (851,503)	\$ (868,534)
Net Operating Income (NOI)		\$ 2,089,976	\$ 4,581,997	\$ 4,967,790	\$ 5,117,282	\$ 5,271,143	\$ 5,429,498	\$ 5,592,475	\$ 5,760,208	\$ 5,932,832	\$ 6,110,488	\$ 6,293,319
Less Reserves	\$ 350.00	\$ (78,400)	\$ (79,968)	\$ (81,567)	\$ (83,199)	\$ (84,863)	\$ (86,560)	\$ (88,291)	\$ (90,057)	\$ (91,858)	\$ (93,695)	\$ (95,569)
Cash Flow After Reserves		\$ 2,011,576	\$ 4,502,029	\$ 4,886,222	\$ 5,034,083	\$ 5,186,280	\$ 5,342,938	\$ 5,504,184	\$ 5,670,151	\$ 5,840,974	\$ 6,016,792	\$ 6,197,750

Source: Bookends North, LLC and S. B. Friedman & Company

City of Milwaukee

Bookends Loan Analysis

Table 3: Cash Flow and Returns Analysis

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	Year 0 2009	Const Yr 1 2010	Const Yr 2 2011	Year 1 2012	Year 2 2013	Year 3 2014	Year 4 2015	Year 5 2016	Year 6 2017	Year 7 2018	Year 8 2019	Year 9 2020	Year 10 2021	Total
SOURCES														
NOI (less Reserves)				\$ 2,011,576	\$ 4,502,029	\$ 4,886,222	\$ 5,034,083	\$ 5,186,280	\$ 5,342,938	\$ 5,504,184	\$ 5,670,151	\$ 5,840,974	\$ 6,016,792	\$ 49,995,229
Payout of Operating Shortfall Reserve				\$ 2,115,733										\$ 2,115,733
Reversion													\$ 80,157,562	\$ 80,157,562
TOTAL			\$ -	\$ 4,127,309	\$ 4,502,029	\$ 4,886,222	\$ 5,034,083	\$ 5,186,280	\$ 5,342,938	\$ 5,504,184	\$ 5,670,151	\$ 5,840,974	\$ 86,174,354	\$ 132,268,524
USES														
Debt Service- Senior Loan	\$ 51,750,000			\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 37,585,378
Mortgage Insurance Premium	0.45%			\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875
Interest Payment Excl MIP	6.25%			\$ 3,234,375	\$ 3,232,858	\$ 3,231,333	\$ 3,229,800	\$ 3,228,259	\$ 3,226,710	\$ 3,225,153	\$ 3,223,588	\$ 3,222,014	\$ 3,220,433	\$ 3,220,433
Principal Payment	40			\$ 291,288	\$ 292,805	\$ 294,330	\$ 295,863	\$ 297,404	\$ 298,953	\$ 300,510	\$ 302,075	\$ 303,648	\$ 305,230	\$ 305,230
Prepayment													\$ 48,767,895	\$ 48,767,895
Cash Available to Repay Subordinate, Unsecured Loan		\$ -	\$ -	\$ 368,771	\$ 743,491	\$ 1,127,685	\$ 1,275,545	\$ 1,427,742	\$ 1,584,400	\$ 1,745,646	\$ 1,911,613	\$ 2,082,436	\$ 33,647,921	
Interest Due	\$ 3,448,750	\$ 310,387	\$ 338,322	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 4,026,036
Interest Payment	9.00%	\$ -	\$ -	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771
Principal Payment				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,097,460
Interest Accrual		\$ 310,387	\$ 338,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Balance at Year End		\$ 3,759,137	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ -	\$ -
Cash Available to Pay City Guarantee/LC Fee		\$ -	\$ -	\$ -	\$ 374,720	\$ 758,913	\$ 906,774	\$ 1,058,971	\$ 1,215,629	\$ 1,376,875	\$ 1,542,842	\$ 1,713,665	\$ 29,181,690	
Guarantee Fee Due	4% \$ 3,448,750				\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950
Guarantee Fee Paid					\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Balance					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributable Cash		\$ -	\$ -	\$ -	\$ 236,770	\$ 620,963	\$ 768,824	\$ 921,021	\$ 1,215,629	\$ 1,376,875	\$ 1,542,842	\$ 1,713,665	\$ 29,181,690	\$ 37,578,278
TOTAL		\$ -	\$ -	\$ -	\$ 236,770	\$ 620,963	\$ 768,824	\$ 921,021	\$ 1,215,629	\$ 1,376,875	\$ 1,542,842	\$ 1,713,665	\$ 29,181,690	\$ 37,578,278
Annual Debt Coverage (Senior Loan)				0.54	1.20	1.30	1.34	1.38	1.42	1.46	1.51	1.55	1.60	
Annual Debt Coverage (Aggregate)				0.49	1.06	1.15	1.18	1.22						
Leveraged Cash Flow														
Equity Contributions	FUNDED w/	\$ (3,804,141)	\$ (1,204,141)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,008,281)
Equity Distributions	PREDEV LOAN	\$ -	\$ -	\$ -	\$ 236,770	\$ 620,963	\$ 768,824	\$ 921,021	\$ 1,215,629	\$ 1,376,875	\$ 1,542,842	\$ 1,713,665	\$ 29,181,690	\$ 37,578,278
TOTAL	\$ -	\$ (3,804,141)	\$ (1,204,141)	\$ -	\$ 236,770	\$ 620,963	\$ 768,824	\$ 921,021	\$ 1,215,629	\$ 1,376,875	\$ 1,542,842	\$ 1,713,665	\$ 29,181,690	\$ 32,569,997
Annual Cash-on-Cash Return				0.0%	4.7%	12.4%	15.4%	18.4%	24.3%	27.5%	30.8%	34.2%		
Leveraged IRR				23.4%										
Unleveraged Cash Flow														
NOI				\$ 2,011,576	\$ 4,502,029	\$ 4,886,222	\$ 5,034,083	\$ 5,186,280	\$ 5,342,938	\$ 5,504,184	\$ 5,670,151	\$ 5,840,974	\$ 6,016,792	\$ 49,995,229
Reversion Proceeds			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,157,562	\$ 80,157,562
Total Project Costs			\$ (60,207,031)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (60,207,031)
TOTAL			\$ (60,207,031)	\$ 2,011,576	\$ 4,502,029	\$ 4,886,222	\$ 5,034,083	\$ 5,186,280	\$ 5,342,938	\$ 5,504,184	\$ 5,670,151	\$ 5,840,974	\$ 86,174,354	\$ 69,945,759
Annual Yield on Cost				3.3%	7.5%	8.1%	8.4%	8.6%	8.9%	9.1%	9.4%	9.7%	10.0%	
Unleveraged IRR				10.0%										

Source: Bookends North, LLC and S. B. Friedman & Company

Reversion Calculations

11th Year NOI	\$ 6,197,750
Terminal Cap Rate	7.5%
Terminal Value	\$ 82,636,661
Cost of Sale @	3.0% \$ (2,479,100)
Net Reversion Proceeds	\$ 80,157,562

3. Incremental Property Tax Revenues

The City of Milwaukee proposes to create a TID to support the City Guarantee for the Bookends Project. Unlike typical TIDs in Milwaukee, this TID would be a contingent mechanism to provide protection to the City's general fund if the guarantee needs to be funded, rather than a vehicle to allow for up-front borrowing to support the Project. The proposed mechanics for the TID are as follows:

- In years where the City Guarantee has not been called upon, the City intends to distribute the property tax revenues from the Project to the five taxing jurisdictions whose levies affect the Project site.
- If the Guarantee is never called upon, the City would not issue TID debt, and instead would dissolve the District at the time the Guarantee expires.
- If the Guarantee is called, the City would have the option to issue TID-backed debt, whether in the form of full faith and credit-backed bonds or revenue bonds, to fund the City's obligation.

In order to evaluate the revenue source for the City Guarantee and the time frame of repayment, *SBFCo* projected future incremental property tax revenues to be generated by the proposed Bookends project. These projected revenues were then used to estimate the time frame for amortization of the associated TID-supported funding of the City Guarantee.

TID Projection Assumptions and Methodology

Table 4 on the following page shows *SBFCo*'s projections of incremental property taxes for the proposed TID. These projections indicate total undiscounted tax collections of about **\$19.7 million** between 2009 and 2036.

The key assumptions and methods used to develop these projections are described below.

- **Sources of TID Revenue.** The proposed TID would include the three taxkeys that make up the development site of the Project. The proposed Bookends project will generate tax increment through its 224 apartments, 3,000 square feet of retail, and associated parking.
- **Timing of Assessments.** The Developer does not expect to begin lease-up until the Project is completed in 2012. This timeframe means that the Project is expected to be partially assessed in 2012 and 2013. For the purposes of calculating TID revenues, *SBFCo* used conservative phasing/timing assumptions—specifically that the project's assessed value each year would reflect the occupancy level from the prior year. Under this framework, the first year of new assessed value would be 2013, following the partial occupancy of the Project in 2012. Full stabilized value would be achieved in 2015, following stabilization of the property in 2014.

City of Milwaukee
Proposed Bookends Project
Table 4: TID Revenue Projections

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TID Year	Assmt Year	Inflation Factor	Frozen Base AV	Inflated Value	New Value Additions			Cumulative Additions	Incremental AV	Property Tax Rate	Annual Incremental Tax Revenue
					Apartments	Retail	Total				
1	2009	1.00	\$ 1,206,734	\$ 1,206,734	\$ -	\$ -	\$ -	\$ -	\$ -	2.51%	
2	2010	1.02	\$ 1,206,734	\$ 1,224,835	\$ -	\$ -	\$ -	\$ -	\$ 18,101	2.46%	
3	2011	1.03	\$ 1,206,734	\$ 1,243,207	\$ -	\$ -	\$ -	\$ -	\$ 36,474	2.42%	\$ 446
4	2012	1.05	\$ 1,206,734	\$ 1,261,855	\$ -	\$ -	\$ -	\$ -	\$ 55,122	2.39%	\$ 884
5	2013	1.06	\$ 1,206,734	\$ 1,280,783	\$ 17,361,361	\$ 398,011	\$ 17,759,372	\$ 17,759,372	\$ 17,833,422	2.35%	\$ 1,315
6	2014	1.08	\$ 1,206,734	\$ 1,299,995	\$ 16,496,987	\$ -	\$ 16,496,987	\$ 34,522,749	\$ 34,616,011	2.31%	\$ 418,495
7	2015	1.09	\$ 1,206,734	\$ 1,319,495	\$ 1,522,222	\$ -	\$ 1,522,222	\$ 36,562,813	\$ 36,675,574	2.27%	\$ 799,181
8	2016	1.11	\$ 1,206,734	\$ 1,339,287	\$ -	\$ -	\$ -	\$ 37,111,255	\$ 37,243,808	2.23%	\$ 833,023
9	2017	1.13	\$ 1,206,734	\$ 1,359,376	\$ -	\$ -	\$ -	\$ 37,667,924	\$ 37,820,566	2.20%	\$ 832,236
10	2018	1.14	\$ 1,206,734	\$ 1,379,767	\$ -	\$ -	\$ -	\$ 38,232,942	\$ 38,405,976	2.16%	\$ 831,443
11	2019	1.16	\$ 1,206,734	\$ 1,400,463	\$ -	\$ -	\$ -	\$ 38,806,437	\$ 39,000,167	2.13%	\$ 830,645
12	2020	1.18	\$ 1,206,734	\$ 1,421,470	\$ -	\$ -	\$ -	\$ 39,388,533	\$ 39,603,270	2.09%	\$ 829,841
13	2021	1.20	\$ 1,206,734	\$ 1,442,793	\$ -	\$ -	\$ -	\$ 39,979,361	\$ 40,215,420	2.06%	\$ 829,033
14	2022	1.21	\$ 1,206,734	\$ 1,464,434	\$ -	\$ -	\$ -	\$ 40,579,052	\$ 40,836,752	2.03%	\$ 828,219
15	2023	1.23	\$ 1,206,734	\$ 1,486,401	\$ -	\$ -	\$ -	\$ 41,187,737	\$ 41,467,405	2.00%	\$ 827,401
16	2024	1.25	\$ 1,206,734	\$ 1,508,697	\$ -	\$ -	\$ -	\$ 41,805,553	\$ 42,107,517	2.00%	\$ 829,348
17	2025	1.27	\$ 1,206,734	\$ 1,531,327	\$ -	\$ -	\$ -	\$ 42,432,637	\$ 42,757,231	2.00%	\$ 842,150
18	2026	1.29	\$ 1,206,734	\$ 1,554,297	\$ -	\$ -	\$ -	\$ 43,069,126	\$ 43,416,690	2.00%	\$ 855,145
19	2027	1.31	\$ 1,206,734	\$ 1,577,612	\$ -	\$ -	\$ -	\$ 43,715,163	\$ 44,086,041	2.00%	\$ 868,334
20	2028	1.33	\$ 1,206,734	\$ 1,601,276	\$ -	\$ -	\$ -	\$ 44,370,891	\$ 44,765,433	2.00%	\$ 881,721
21	2029	1.35	\$ 1,206,734	\$ 1,625,295	\$ -	\$ -	\$ -	\$ 45,036,454	\$ 45,455,015	2.00%	\$ 895,309
22	2030	1.37	\$ 1,206,734	\$ 1,649,674	\$ -	\$ -	\$ -	\$ 45,712,001	\$ 46,154,942	2.00%	\$ 909,100
23	2031	1.39	\$ 1,206,734	\$ 1,674,420	\$ -	\$ -	\$ -	\$ 46,397,681	\$ 46,865,367	2.00%	\$ 923,099
24	2032	1.41	\$ 1,206,734	\$ 1,699,536	\$ -	\$ -	\$ -	\$ 47,093,646	\$ 47,586,448	2.00%	\$ 937,307
25	2033	1.43	\$ 1,206,734	\$ 1,725,029	\$ -	\$ -	\$ -	\$ 47,800,051	\$ 48,318,346	2.00%	\$ 951,729
26	2034	1.45	\$ 1,206,734	\$ 1,750,904	\$ -	\$ -	\$ -	\$ 48,517,051	\$ 49,061,222	2.00%	\$ 966,367
27	2035	1.47	\$ 1,206,734	\$ 1,777,168	\$ -	\$ -	\$ -	\$ 49,244,807	\$ 49,815,242	2.00%	\$ 981,224
	2036	Collections for TID Year 27									\$ 996,305
Total Proceeds, 2009-2036 (Not Discounted)											\$ 19,699,300

Note: These projections are based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those shown here and the variations may be material.

This conservative methodology is likely to represent a slightly slower phase-in of value than will actually occur, and assumes a substantially slower phase-in of property taxes than that carried in the financial pro forma.

- **Tax Rate.** Our analysis considered historical trends in the overall City of Milwaukee property tax rate over the past 5, 10, 15, and 20-year periods. The tax rate has trended downward over all of these analysis periods at compound annual rates ranging from about 1.4% (20-year history) to 3.6% (10-year history). For our analysis, *SBFCo* assumed a 2009 tax rate equal to the Assessor's estimate of 2.505% (\$25.05 per \$1,000 of value) and a subsequent annual decline in rate of 1.62%, the compound annual rate of decline for the past 10 years. This decline is assumed to continue through 2023, beyond which point the rate is assumed to remain level at 2%.
- **Base Value.** Because the TID is likely to be created late in the calendar year, it is our understanding that the 2010 assessed value of the property would be set as the base value. *SBFCo* therefore assumed a base value of 101.5% of 2009 value, or about \$1.2 million.
- **Valuation Approach.** The following assumptions and methodologies were used to project future property valuations for the purposes of estimating TID revenue:
 - Apartment Valuation: *SBFCo* based assumptions on valuation methodology and levels on conversations recently held with the City Assessor's Office regarding the proposed Moderne project in the Park East TID. Based on the Assessor's comments, *SBFCo* believes a similar approach would be used for valuation on the Bookends project. The Assessor's office indicated it would likely take an income approach to valuation of the property, but might base its value on prevailing area rents, as opposed to specific operating results from the property. Specifically, the Assessor suggested rents of \$1.65 per square foot might be used. This income would then be translated into building value using assumptions such as operating expenses (excluding property tax) equal to 35% of revenues, a 5% vacancy rate, and a cap rate of between 6% and 7%. *SBFCo* assumed a 6.5% cap rate, and added 2.3% to reflect the approximate average property tax rate the Project might experience over the bulk of the TID projection period to result in a "tax-loaded cap rate." In turn, these calculations yield an anticipated building valuation of approximately \$139 per square foot. Assessor data on building square footages for other Downtown apartment projects is limited, so *SBFCo* reviewed data on valuation per unit to benchmark the above assumption. This value falls toward the upper end of observed ranges, but below the highest observed values of \$165/unit for the Franklin at East Pointe. Given the Bookends project's higher pro forma rents of \$2.09 per square foot per month as compared to the Franklin's current values in the \$1.50 range, the \$139/sf Bookends valuation assumption appears reasonable.
 - Retail Valuation: Consistent with assumptions used in prior TID projections for Downtown Milwaukee projects, *SBFCo* assumed a value of \$125 per square foot for retail space.

- **Parking Structure Valuation:** Although the parking portion of the Bookends project will be leased separately from the apartments and would itself generate additional net operating income, *SBFCo* did not attribute additional TID value to this component. This reflects the fact that available apartment tax comparables frequently do not have separate taxkeys from their associated parking. Therefore, the stated apartment valuation above includes any additional value that may be attributed to parking.
- **Property Value Growth.** *SBFCo*'s projections assume 1.5% annual growth in real property assessments for all properties included in the TID projection.

Projected Amortization of TID Debt

SBFCo evaluated the time frame over which the total City Guarantee, if funded, could be amortized using the available sources of TID revenue. This analysis is presented in **Table 5**. This analysis presents the scenario under which the Guarantee would cause the greatest stress on the TID—specifically:

- Guarantee is called in its final year (early 2017) and City bonds are issued in 2017
- All TID revenues collected prior to 2017 are distributed to the taxing bodies, rather than being accrued as a TID fund balance for the payment of the City obligation

METHODOLOGY

These projections replicate the issuance of one or more bonds to support the City Guarantee and are based on the following key assumptions:

- **Bond Interest Rates.** *SBFCo* assumed an interest rate of 4.5% on the bonds, reflective of the City's approximate cost of funds frequently used for TID feasibility analysis.
- **Term, Target Debt Service, and Carry Costs.** Reflecting discussions with the Office of the City Comptroller, the projections assume two years of interest-only payments, followed by fifteen years of level principal and interest payments. The interest-only payments in the first two years of the financing are equal to the size of the assumed capitalized interest reserve, less available fund balances at the time of issuance.

For the fifteen level payment years following the interest-only period, a "TID Annual Debt Service Target" is defined. This amount is equal to the annual level-payment debt service on a 15-year amortization of the total bond issue. In each of the 15 amortization years, this Annual Debt Service Target is compared to the available TID revenue. Any shortfalls relative to this target are accrued and carry a 4% annual interest charge until they are repaid. Any surpluses versus the target are used to pay down the accumulated shortfalls.

City of Milwaukee
Proposed Bookends Project
Table 5: TID Amortization

DRAFT

Bonding

Interest Rate on Bonds	4.50%
Cost of Funds (Local Government Investment Pool)	4.00%
Issuance Costs @	1.00%
Capitalized Interest Allowance @	10.00%
Assumed Level P&I Payments	15

Funding Structure

	Assumed Year	Amount	Plus Issuance Costs	Capitalized Interest	Total Issuance
Assumed Bonding	2017	\$ 3,448,750	\$ 34,487	\$ 387,026	\$ 3,870,264

TID Year	Calendar Year	Projected Incremental Property Taxes	New Debt Service				TID Payoff Analysis						
			TID-Backed Bonds Issued	TID Annual Debt Service Target Payments	Principal Payment	Interest Payment	Ending Principal Balance	Annual Surplus/ (Shortfall)	Distributions to Taxing Bodies	Cumulative Fund Balance	Interest Earnings/ (Carry Cost) on Cuml. Balance	TID Debt Retired	TID Could Repay Outstanding Princ.
1	2009	\$ -	\$ -					\$ -	\$ -	\$ -	\$ -		
2	2010	\$ -	\$ -					\$ -	\$ -	\$ -	\$ -		
3	2011	\$ 446	\$ -					\$ 446	\$ 446	\$ -	\$ -		
4	2012	\$ 884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 884	\$ 884	\$ -	\$ -		
5	2013	\$ 1,315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,315	\$ 1,315	\$ -	\$ -		
6	2014	\$ 418,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 418,495	\$ 418,495	\$ -	\$ -		
7	2015	\$ 799,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 799,181	\$ 799,181	\$ -	\$ -		
8	2016	\$ 833,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 833,023	\$ 833,023	\$ -	\$ -		
9	2017	\$ 832,236	\$ 3,870,264	\$ -	\$ -	\$ -	\$ 3,870,264	\$ 832,236	\$ -	\$ 832,236	\$ 33,289		NO
10	2018	\$ 831,443	\$ -	\$ -	\$ -	\$ -	\$ 3,870,264	\$ 831,443	\$ -	\$ 1,696,968	\$ 67,879		NO
11	2019	\$ 830,645	\$ -	\$ -	\$ -	\$ -	\$ 3,870,264	\$ 830,645	\$ -	\$ 2,595,491	\$ 103,820		NO
12	2020	\$ 829,841	\$ -	\$ 360,375	\$ (186,213)	\$ (174,162)	\$ 3,684,050	\$ 469,466	\$ -	\$ 3,168,777	\$ 126,751	NO	NO
13	2021	\$ 829,033	\$ -	\$ 360,375	\$ (194,593)	\$ (165,782)	\$ 3,489,458	\$ 468,658	\$ -	\$ 3,764,186	\$ 150,567	NO	YES
14	2022	\$ 828,219	\$ -	\$ 360,375	\$ (203,349)	\$ (157,026)	\$ 3,286,108	\$ 467,844	\$ -	\$ 4,382,598	\$ 175,304	NO	YES
15	2023	\$ 827,401	\$ -	\$ 360,375	\$ (212,500)	\$ (147,875)	\$ 3,073,608	\$ 467,026	\$ -	\$ 5,024,928	\$ 200,997	NO	YES
16	2024	\$ 829,348	\$ -	\$ 360,375	\$ (222,063)	\$ (138,312)	\$ 2,851,546	\$ 468,973	\$ -	\$ 5,694,898	\$ 227,796	NO	YES
17	2025	\$ 842,150	\$ -	\$ 360,375	\$ (232,055)	\$ (128,320)	\$ 2,619,490	\$ 481,775	\$ -	\$ 6,404,469	\$ 256,179	NO	YES
18	2026	\$ 855,145	\$ -	\$ 360,375	\$ (242,498)	\$ (117,877)	\$ 2,376,992	\$ 494,770	\$ -	\$ 7,155,418	\$ 286,217	NO	YES
19	2027	\$ 868,334	\$ -	\$ 360,375	\$ (253,410)	\$ (106,965)	\$ 2,123,582	\$ 507,959	\$ -	\$ 7,949,593	\$ 317,984	NO	YES
20	2028	\$ 881,721	\$ -	\$ 360,375	\$ (264,814)	\$ (95,561)	\$ 1,858,768	\$ 521,346	\$ -	\$ 8,788,923	\$ 351,557	NO	YES
21	2029	\$ 895,309	\$ -	\$ 360,375	\$ (276,730)	\$ (83,645)	\$ 1,582,038	\$ 534,934	\$ -	\$ 9,675,413	\$ 387,017	NO	YES
22	2030	\$ 909,100	\$ -	\$ 360,375	\$ (289,183)	\$ (71,192)	\$ 1,292,855	\$ 548,725	\$ -	\$ 10,611,155	\$ 424,446	NO	YES
23	2031	\$ 923,099	\$ -	\$ 360,375	\$ (302,197)	\$ (58,178)	\$ 990,658	\$ 562,724	\$ -	\$ 11,598,325	\$ 463,933	NO	YES
24	2032	\$ 937,307	\$ -	\$ 360,375	\$ (315,795)	\$ (44,580)	\$ 674,863	\$ 576,932	\$ -	\$ 12,639,191	\$ 505,568	NO	YES
25	2033	\$ 951,729	\$ -	\$ 360,375	\$ (330,006)	\$ (30,369)	\$ 344,856	\$ 591,354	\$ -	\$ 13,736,112	\$ 549,444	NO	YES
26	2034	\$ 966,367	\$ -	\$ 360,375	\$ (344,856)	\$ (15,519)	\$ (0)	\$ 605,992	\$ -	\$ 14,891,549	\$ 595,662	NO	YES
27	2035	\$ 981,224	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ 981,224	\$ -	\$ 16,468,435	\$ 658,737	YES	YES
	2036	\$ 996,305	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ 996,305	\$ -	\$ 18,123,477	\$ 724,939	YES	YES
TOTALS		\$ 19,699,300	\$ 3,870,264	\$ 5,405,625	\$ (3,870,264)	\$ (1,535,361)		\$ 14,293,676	\$ 2,053,345		\$ 6,608,086		

Note: These projections are based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those shown here and the variations may be material.

- **Issuance Costs.** *SBFCo* assumed an issuance cost of 1.00% for City bonds.

Based on these amortization assumptions and the underlying TID projection assumptions, *SBFCo* projects that the City Guarantee bonded amount would be amortized well within the life of the TID. If the City Guarantee were funded in 2017, the bonded amount could be amortized by 2021-the 13th year of the TID. It should also be noted that in this analysis, five years of property taxes are required to repay the City's bond issuance, while the balance are distributed to the five underlying taxing jurisdictions.

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Appendix: Construction Cost Review Summary

DRAFT



The Concord Group

Construction Consultants

ESTIMATE REVIEW COMMENTS

FOR

THE BOOKENDS SCHEMATIC DESIGN ESTIMATE

Prepared For:
S. B. Friedman
221 North LaSalle Street
Suite 820
Chicago, IL 60601

Prepared By:
The Concord Group
161 North Clark Street
Suite 2050
Chicago, IL 60601

Date Prepared:
October 15, 2009

OVERVIEW

For the initial review we undertook the following:

- (1) Reviewed KBS's Schematic Design Estimate provided to us by S. B. Friedman & Company.
- (2) Reviewed the schematic design drawings and associated schematic design narrative to understand the scope of the project.
- (3) Performed take-off of some major project components, such as exterior envelope, structural concrete suspended slabs and interior finishes and major components of MEP systems. These quantities were then priced to reflect current market conditions and a comparative estimate was developed and compared with the KBS estimate. (See attached estimate and comparison)
- (4) Compared cost/SF and unit costs with pricing for recent projects of similar scope.

COMMENTS

In summary, the following are our comments and recommendations based on our initial review of the documents:

- (1) In general the contractor's estimated cost of \$43,364,442 (\$105/sqft) seems reasonable in comparison with our estimated cost of \$45,736,793 (\$111/sqft). It is likely the current market conditions are having a favorable impact on the major trades that will be utilized in a project of this nature. We are seeing similar competitive bidding for other comparable projects in Milwaukee. The contractor appears to have included all of the scope in their estimate, and we feel confident that the contractor can complete this project within the estimated total cost as long as the current bidding environment continues to stay competitive.
- (2) There appears to be a disparity between the architect's, contractor's and our gross floor area of the building. The contractor uses a GFA of 453,318. The architect uses a GFA of 394,965. Our GFA was calculated at 410,794. We feel that our GFA calculations are accurate, as we have both manually and digitally completed a take off on the drawings provided to us which includes the ground floor, parking levels 2-5, mechanical mezzanine and residential floors 6-19.

- (3) The contractor does not show on their breakdown a percentage cost for design contingency. We have included a design contingency of 3% totaling \$1,332,140, which we feel is an appropriate cost at this point in time. We are assuming that the contractor's estimate includes sufficient design contingency in the line item pricing.
- (4) We received two cost breakdowns from KBS. One is dated 9/23/09, which was a more general breakdown with costs for broad items within the divisions of labor. The other is dated 10/7/09 and is a more detailed breakdown of costs. Some of the divisions of labor do not add up with one another and it looks as if kitchen cabinetry was counted twice, once in Finish Carpentry (Division 6) and again in Equipment (Division 11). This appears to be the explanation as to why our cost for Equipment is much lower than that of KBS.
- (5) The overall cost for site construction appears to be low and should be verified.
- (6) The overall cost for finishes appears to be low and should be verified. Specifically, we feel that the contractor's cost for painting is low.
- (7) The overall cost for thermal and moisture protection appears to be high and should be verified. Specifically, the contractor has approximately 4,500 sq ft more metal panel cladding than we estimate.

RECOMMENDATIONS

- (1) Both the architect and the contractor should review and confirm the gross floor area measurement. This is important at this point in the design, as it is likely that some of the major systems are currently being priced on a gross floor area basis.
- (2) Request that design contingency be broken out as a separate line item, if it was included in the contractor's estimate.
- (3) Request a response to our comments (1) through (7) above. Where items are to be verified, a general review of pricing for accuracy and feasibility should be completed.
- (4) We would also suggest that the general contractor provide any detailed subcontractor pricing that they've received to date for this project, for review.



SD Estimate
October 15, 2009

Bookends SD 10-15-09.xls



	Description	Quantity	Unit	Unit Cost	Subtotal	Total
02000	SITE CONSTRUCTION					
	Demolition:					
	Building & Site demolition allowance	1	LS	60,000	\$60,000	
	Subtotal					\$60,000
	Paving:					
	Curb & gutter	400	LF	20	\$8,000	
	Concrete entrance drives & curb cuts	2	EA	3,000	\$6,000	
	Concrete sidewalk, 5"	3,850	SF	5	\$19,250	
	Roadway paving patching at new curbs	1	LS	6,000	\$6,000	
	Subtotal					\$39,250
	Excavation:					
	Excavation and haul off for foundations	7,308	CY	34	\$248,472	
	Backfill with imported material	4,266	CY	32	\$136,512	
	Subtotal					\$384,984
	Special Foundations:					
	Earth retention	3,500	SF	35	\$122,500	
	Dewatering allowance	1	LS	2,500	\$2,500	
	Subtotal					\$125,000
	Site Development:					
	Landscaping allowance	1	LS	30,000	\$30,000	
	Subtotal					\$30,000
	Site Utilities:					
	Storm piping including connections, trenching, patching, etc.	1	LS	25,000	\$25,000	
	Catch basins	1	LS	15,000	\$15,000	
	Sanitary piping including connections, trenching, patching, etc.	1	LS	10,000	\$10,000	
	Water piping including connections, trenching, patching, etc.	1	LS	10,000	\$10,000	
	Subtotal					\$60,000
02000	TOTAL: SITE CONSTRUCTION					\$699,234
03000	CONCRETE					
	Structural Concrete:					
	Post-tensioned concrete slab, beams, and columns	410,794	SF	23	\$9,448,262	
	Concrete cast-in-place stairs at parking lots	1	EA	2,500	\$2,500	
	Concrete shear wall for elevator	13,930	SF	45	\$626,850	
	Concrete ramp at ground floor corridors	194	SF	25	\$4,850	
	Subtotal					\$10,082,462
	Standard Foundations:					
	Mat Foundation, 4'-0"	1,177	CY	400	\$470,800	
	Mat Foundation, 5'-6"	587	CY	410	\$240,670	
	Foundation wall, 12" thick w/ 2" insulation	159	CY	550	\$87,450	
	Concrete footings w/ bar reinforcing	1,119	CY	395	\$442,005	
	Slab-on-grade, 5" on compacted fill	22,475	SF	5.50	\$123,613	
	Subtotal					\$1,364,538
	Precast Concrete:					
	Pre-cast insulated concrete panels	29,110	SF	35	\$1,018,850	
	Colored precast band at building base	250	LF	125	\$31,250	
	Subtotal					\$1,050,100
03000	TOTAL: CONCRETE					\$12,497,100



	Description	Quantity	Unit	Unit Cost	Subtotal	Total
04000	MASONRY					
	Exterior Masonry:					
	Brick veneer	86,363	SF	25	\$2,159,075	
	Subtotal					\$2,159,075
	Interior Masonry:					
	Partitions, CMU	20,328	SF	14	\$284,592	
	Countertops - granite	3,808	LF	115	\$437,920	
	Bathroom countertop	280	EA	250	\$70,000	
	Bathroom countertop, double	28	EA	500	\$14,000	
	Subtotal					\$806,512
04000	TOTAL: MASONRY					\$2,965,587
05000	METALS					
	Structural Steel:					
	Miscellaneous structural steel lintels, angles, channels, etc.	410,794	SF	1.25	\$513,493	
	Subtotal					\$513,493
	Miscellaneous Metals:					
	Aluminum balcony railings w/ glass	5,586	LF	150	\$837,900	
	Steel bollards at overhead doors and parking areas	27	EA	725	\$19,575	
	Subtotal					\$857,475
	Stairs:					
	Metal Stairs with railings per 2 flights & 1 landing	19	EA	18,900	\$359,100	
	Paint stairs	19	EA	700	\$13,300	
	Ships ladder from 19th floor to roof	1	EA	1,500	\$1,500	
	Elevator pit ladders	3	EA	900	\$2,700	
	Subtotal					\$376,600
05000	TOTAL: METALS					\$1,747,568
06000	WOODS & PLASTICS					
	Rough Carpentry:					
	Miscellaneous wood blocking	410,794	SF	0.75	\$308,096	
	Subtotal					\$308,096
	Millwork:					
	Closet systems	182	EA	750	\$136,500	
	Miscellaneous trim, casings, etc	285,460	SF	0.50	\$142,730	
	Subtotal					\$279,230
	Fixed Cabinetry:					
	Condos:					
	Wall and base cabinets (in common area as well)	6,664	LF	100	\$666,400	
	Shelving & pole	3,024	LF	16	\$48,384	
	Bathroom vanities	280	EA	250	\$70,000	
	Bathroom vanities, double	28	EA	500	\$14,000	
	Subtotal					\$798,784
06000	TOTAL: WOODS & PLASTICS					\$1,386,110
07000	THERMAL & MOISTURE PROTECTION					
	Metal Panel:					
	Metal panel system w/ glass	7,569	SF	29	\$219,501	
	Metal panel cladding for canopy soffit and fascia	825	SF	15	\$12,375	
	Subtotal					\$231,876



	Description	Quantity	Unit	Unit Cost	Subtotal	Total
	Roofing:					
	Roofing including pavers, penetrations, flashings, etc.	24,663	SF	18	\$443,934	
	Subtotal					\$443,934
	Caulking & Sealants:					
	Air & water barrier at exterior wall	106,860	SF	2.50	\$267,150	
	Miscellaneous caulking, sealants, firestopping, etc.	410,794	SF	0.20	\$82,159	
	Subtotal					\$349,309
07000	TOTAL: THERMAL & MOISTURE PROTECTION					\$1,025,119
08000	DOORS & WINDOWS					
	Exterior Windows					
	Aluminum curtainwall	816	SF	150	\$122,400	
	Aluminum windows	12,060	SF	63	\$759,780	
	Aluminum storefront	1,760	SF	55	\$96,800	
	Subtotal					\$978,980
	Exterior Doors					
	Aluminum doors (glazed) with frames and hardware:					
	- Double	7	EA	6,000	\$42,000	
	- Single	3	EA	3,000	\$9,000	
	Balcony entry doors:					
	- Double swinging, glass, one fixed door	196	EA	2,500	\$490,000	
	- Single swinging, glass	28	EA	1,500	\$42,000	
	Overhead Doors	2	EA	3,000	\$6,000	
	Card readers	4	EA	1,000	\$4,000	
	Subtotal					\$593,000
	Interior Doors/Glazing					
	Hollow metal doors w/ HM frames and hardware	32	EA	1,450	\$46,400	
	Solid core wood doors w/ WD frames and hardware	37	EA	1,300	\$48,100	
	Condo entrance door, frame & hardware	224	EA	950	\$212,800	
	Interior door, frame & hardware	1,246	EA	1,000	\$1,246,000	
	Cloest sliding bypass doors - apartments	294	EA	250	\$73,500	
	Subtotal					\$1,626,800
08000	TOTAL: DOORS & WINDOWS					\$3,198,780
09000	FINISHES					
	Gypsum Board:					
	Furring for exterior walls, 6" metal stud w/ 5/8" gypboard and batt insulation	106,860	SF	6.65	\$710,619	
	Partitions, corridor, 6" metal track w/ 3-5/8" metal studs, staggered w/ 6" batt insulation and (1) layer of 5/8" gypboard each side	66,640	SF	6.70	\$446,488	
	Partitions, demising, (2) 3-5/8" metal stud wall w/ batt insulation and 1 layer of 5/8" gypboard each side and between	67,200	SF	9.95	\$668,640	
	Partitions, typical, 3-5/8" metal stud wall w/ 5/8" gypboard	349,282	SF	4.55	\$1,589,233	
	Gypboard ceiling	293,930	SF	3.25	\$955,273	
	Subtotal					\$4,370,253



Description	Quantity	Unit	Unit Cost	Subtotal	Total
Wall Finishes					
Access panels	1	LS	35,000	\$35,000	
Ceramic wall tile	24,584	SF	12	\$295,008	
Ceramic base	4,531	LF	11	\$49,841	
Subtotal					\$379,849
Floor Finishes					
Concrete sealer	3,475	SF	1	\$3,475	
Traffic coating	97,736	SF	1.50	\$146,604	
Ceramic tile - bathrooms	20,748	SF	13	\$269,724	
Ceramic tile - kitchens	9,170	SF	13	\$119,210	
Ceramic tile - common areas	2,652	SF	13	\$34,476	
Ceramic tile - pool deck	1,972	SF	13	\$25,636	
VCT, 12"x12" - trash rooms, storage rooms, washer/dryer closets	8,642	SF	2.20	\$19,012	
Carpet - condos	73,766	SF	3.45	\$254,493	
Carpet - common areas	1,518	SF	4	\$6,072	
Wood flooring with acoustical mat	78,806	SF	6.15	\$484,657	
Rubber tile in exercise room	608	SF	15	\$9,120	
Subtotal					\$1,372,479
Painting:					
Paint gypboard ceiling	292,280	SF	0.50	\$146,140	
Paint concrete ceiling	109,394	SF	0.55	\$60,167	
Paint gypboard partitions	1,073,104	SF	0.52	\$558,014	
Paint concrete/masonry partitions	76,649	SF	0.63	\$48,289	
Epoxy coating in pool room; walls and ceilings, 3 coats	6,834	SF	4	\$27,336	
Painting/staining doors and frames	1,833	EA	85	\$155,805	
Subtotal					\$995,751
09000 TOTAL: FINISHES					\$7,118,331
10000 SPECIALTIES					
Miscellaneous Specialties:					
Toilet accessories - condo bathrooms (to include: toilet paper dispenser, towel bar, hand towel bar, medicine cabinet, mirror, and robe hook)	308	EA	400	\$123,200	
Rod and curtain at bathtubs	98	EA	40	\$3,920	
Glass shower doors	210	EA	450	\$94,500	
Grab bar sets at ADA units and accessible toilet rooms	72	EA	100	\$7,200	
Shower seats at ADA units	70	EA	125	\$8,750	
Men's and women's locker room wire mesh lockers	224	EA	215	\$48,160	
Wall to wall mirror 8'-0" height in exercise room	76	LF	100	\$7,600	
Mailboxes	1	LS	20,000	\$20,000	
Storage lockers in parking areas	224	EA	420	\$94,080	
Interior signage	1	LS	25,000	\$25,000	
Exterior signage	1	LS	10,000	\$10,000	
Subtotal					\$442,410
10000 TOTAL: SPECIALTIES					\$442,410



	Description	Quantity	Unit	Unit Cost	Subtotal	Total
11000	EQUIPMENT					
	Miscellaneous Equipment:					
	Kitchen appliances in condos; includes oven/range, refrigerator, dishwasher and microwave.	224	EA	1,795	\$402,080	
	Washer & dryer units	224	EA	1,000	\$224,000	
	Community room appliances: includes cook top, refrigerator, & microwave	1	LS	2,000	\$2,000	
	Trash chute	199	LF	200	\$39,800	
	Subtotal					\$667,880
11000	TOTAL: EQUIPMENT					\$667,880
12000	FURNISHINGS					
	Window Treatment:					
	Mini blinds	224	EA	200	\$44,800	
	Subtotal					\$44,800
12000	TOTAL: FURNISHINGS					\$44,800
13000	SPECIAL CONSTRUCTION					
	Aquatics:					
	Swimming Pool (per Badger Swim Pools)	1	LS	135,000	\$135,000	
	Whirlpool	1	LS	7,500	\$7,500	
	Subtotal					\$142,500
13000	TOTAL: SPECIAL CONSTRUCTION					\$142,500
14000	CONVEYING SYSTEMS					
	Elevators:					
	Geared traction public passenger elevators, 2500 lbs, 19 stops, 200 fpm	3	EA	271,000	\$813,000	
	Subtotal					\$813,000
14000	TOTAL: CONVEYING SYSTEMS					\$813,000
15000	HVAC					
	HVAC Systems:					
	Heating & Cooling system, floors 1-5	125,334	SF	2.50	\$313,335	
	Heating & Cooling system, floors 6-19	285,460	SF	4.25	\$1,213,205	
	Ventilation system, floors 1-5	125,334	SF	1.75	\$219,335	
	Ventilation system, floors 6-19	285,460	SF	2.50	\$713,650	
	Subtotal					\$2,459,525
15000	TOTAL: HVAC					\$2,459,525
15000	PLUMBING					
	Plumbing Equipment and Specialties:					
	Plumbing Equipment and Specialties allowance	1	LS	200,000	\$200,000	
	Subtotal					\$200,000



SD Estimate
October 15, 2009

16000 TOTAL: ELECTRICAL	\$2,650,984
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SD Estimate
October 15, 2009

Bookends SD 10-15-09.xls

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

OCTOBER 27, 2009

Item 9b, File #090805

File Number 090805 is a resolution approving the term sheet for a cooperation and development agreement among the City, the Redevelopment Authority and the developer for a loan guarantee to the developer of the proposed Bookends apartment project, to be located at 700 East Kilbourn Avenue .

Background

1. Bookends North, LLC, which is 50% owned by New Land Development, LP, and 50% owned by Wiechman Enterprises, has proposed the development of the Bookends project on property at the northeast corner of East Kilbourn Avenue and North Van Buren Street. The Bookends would be a 19-story high-rise structure containing 224 rental apartments, 292 above-ground, structured parking spaces and 3,000 square feet of street-level retail space.
2. The term sheet and economic feasibility study attached to this file indicate that the Bookends will have a total project cost of \$60.2 million, with funding from the following sources:
 - Approximately \$51.75 million from a HUD-guaranteed 221(d)4 “senior loan” funded by Love Funding. The term of the loan is the construction period plus 40 years. The interest rate is likely to be in the range of 6-7%.
 - Approximately \$5.0 million in developer equity (\$2.6 million in cash equity and \$2.4 million in deferred developer fees).
 - \$3.45 million in a “subordinate loan” guaranteed by the City. The developer has not yet secured this loan, but it is anticipated to be funded by Emerald Isle Investment Partners. The loan is likely to have a term of approximately 7 years (construction period plus 5 years) and an interest rate of about 9%.

Discussion

1. This resolution approves the term sheet for a cooperation and development agreement by and among the City, the Redevelopment Authority and Bookends North, LLC, for a City of Milwaukee loan guarantee for the Bookends project. Specifically, the City will negotiate a cooperation and development agreement with RACM and the developer to provide a loan guarantee of up to \$3.45 million to support a subordinate loan that the developer will obtain.
2. Under this term sheet, key terms of the City’s loan guarantee include the following:
 - The City guarantee applies solely to the original principal amount of the subordinate loan, not to any interest.

- Upon a substantive monetary default by the developer, the full amount of the City guarantee will be paid to the subordinate lender.
 - The City guarantee will be ultimately secured by the full faith and credit of the City of Milwaukee. However, any City payments under this guarantee will be secured by personal guarantees from Boris Gokhman, Vladimir Shuk and James Wiechmann, the developers, who will also provide the City with a senior mortgage on The Sterling (an 11-story, mixed-use development at 1815 N. Farwell Avenue) and other real property collateral acceptable to the City.
 - The developer shall not assume any indebtedness in addition to the senior loan and the subordinate loan.
 - The City shall have the right to impose a long-term special assessment on the property to recover any funds the City has paid out on its loan guarantee.
3. The term sheet indicates that construction of the project shall commence by June 1, 2010 and reach completion within 19 months of the start date.
 4. The resolution also directs the proper City officials to enter into a cooperation and development agreement with RACM and the developer for the purpose of executing loan guarantee provisions which are substantially in accordance with the provisions of the project term sheet.

Fiscal Impact

1. In the event of a default by the developer of the Bookends project, this resolution could ultimately obligate the City to pay as much as \$3,450,000 to the subordinate lender for the project.
2. This resolution also reserves, during the term of the loan guarantee, up to \$3,450,000 of the City's contingent borrowing authority for payment of the City's loan guarantee obligation to the developer's subordinate lender.
3. The fiscal note for this file indicates that the Department of City Development intends to propose the creation of a new tax incremental district to provide a "backstop funding mechanism" in the event the developer defaults on the subordinate loan and the City is called upon to make good on its loan guarantee.

Prepared by: Jeff Osterman, X2262
 LRB-Research & Analysis Section
 October 26, 2009

c: Rocky Marcoux
 Martha Brown
 Joe' Mar Hooper
 Danielle Bergner
 Marianne Walsh



Department of City Development

City Plan Commission
Historic Preservation Commission
Neighborhood Improvement
Development Corporation
Redevelopment Authority

Rocky Marcoux
Commissioner

Martha L. Brown
Deputy Commissioner

October 27, 2009

Members of the Zoning, Neighborhoods and Development Committee
Milwaukee Common Council
City Hall, Room 205

Re: Human Resources Agreements, Moderne and Bookends Projects

Dear Committee members:

Today, your committee will consider file #090687 and file #090805, both of which propose the provision of financing assistance to residential development projects. A human resources agreement, structured to follow the framework of Chapter 355, has been developed for each of these projects. This letter provides specifics regarding the resident preference hiring and emerging business enterprise participation sections of the agreements.

Ch. 355 presumes that 40% of labor hours is the appropriate level of resident participation in construction work, unless it is determined there is sufficient reason to impose a lesser requirement. The Department of City Development and the Emerging Business Enterprise Program office have worked together to analyze the appropriate level of labor participation by unemployed and underemployed Milwaukee residents, in light of the fact that 100% of the labor hours must be performed by unionized labor. This requirement significantly reduces the pool of resident labor that can be hired for these projects.

As a result of our evaluation, we are jointly recommending that the developers be required to demonstrate that at least 25% of the construction labor hours for these projects be performed by city residents who meet the definition of unemployed or underemployed. We are further recommending that developers be required to exhibit best efforts to utilize unemployed or underemployed city residents to perform at least 10% of labor hours in non-construction activities connected to the projects.

For both these projects, the majority of the financing is provided by bonds purchased by the AFL-CIO Housing Investment Trust (HIT). HIT's investment in these projects is contingent on the use of 100% union labor. Thus, to be qualified to work on either of these jobs, unemployed or underemployed city residents would need to be members of construction trades unions or participating in union-sponsored apprenticeship programs.

DCD and EBEP have evaluated data from the City of Milwaukee's resident preference program, and from Big Step and Urban League, two organizations that prepare disadvantaged residents to participate in union-sponsored apprenticeship programs. This research has identified the following:

- Over the past 15 years, 552 RPP-certified individuals affiliated with a construction trades union (approximately 37/year) have worked on contracts let by the City of Milwaukee. This number includes journey workers and apprentices.
- Over the past five years, 72 individuals affiliated with a construction trades union have been identified as RPP-eligible by Urban League. This constitutes 10% of the 727 people with whom Urban League has worked. The number includes journeymen, apprentices, and individuals eligible to enter an apprenticeship program once a position opens.
- Over the past five years, Big Step has certified 407 individuals with a trade union affiliation as RPP-eligible. Of these, 98 are union journey workers, 108 are participating in apprenticeship programs, and 181 are eligible to enter an apprenticeship program once a position opens.

Individuals will be put to work on these jobs in conformance with apprenticeship ratios established by the Wisconsin Dept. of Workforce Development. A copy of the ratios is attached. You will note that, for many of the trades, there must be more journey workers than apprentices on the job. This requirement will limit the opportunities to pull apprentices and apprentice-eligible individuals from the RPP lists.

This data led us to the following conclusions:

- 1) The pool of union-affiliated RPP-eligible individuals in the construction trades who have been identified to date by RPP programs run by the City of Milwaukee, Big Step and Urban League is modest (approximately 1036 individuals over a 15-year period).
- 2) Because the data for City RPP contracting covers a 15-year period, it is likely that some of the individuals counted are no longer in the labor force or no longer living within the city limits.
- 3) The standard apprenticeship ratios, which require hiring more journey workers than apprentices, serve to further limit the number of union-affiliated RPP-eligible individuals who will actually be hired for these projects.

Members of the Zoning, Neighborhoods and Development Committee

October 27, 2009

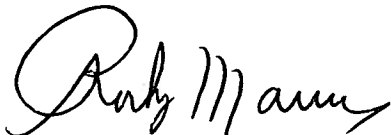
Page 3

Taking these factors into account, we believe it is appropriate to adjust the RPP requirement for construction hours to 25% of hours worked in construction activity. To augment this total, we are further recommending that developers use best efforts to use unemployed or underemployed residents for no less than 10% of worker hours expended on non-construction activities.

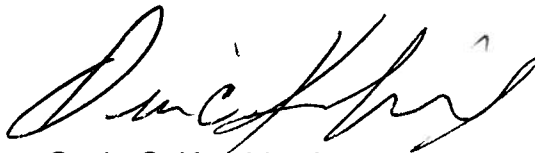
We also are recommending an adjustment of the requirements with respect to the use of Emerging Business Enterprises. The AFL-CIO HIT requires that union contractors and subcontractors be used for 100% of the construction contracts for these projects. Research done by EBEP indicates that only one-quarter of the 98 EBE-certified construction trades contractors are union-affiliated. In response to the substantial narrowing of the contractor pool, we recommend setting the EBE requirement at 20% of the dollar value of all construction contracts. In light of an even smaller pool of EBE-certified professional service providers, we recommend setting the EBE requirement at 10% of the dollar value of all professional service contracts.

Representatives of DCD and EBEP will be present at the meeting to answer your questions regarding these recommendations.

Sincerely,



Rocky Marcoux
Commissioner
Dept. of City Development



Ossie C. Kendrix, Jr.
Manager
Emerging Business Enterprise Program

HUMAN RESOURCES AGREEMENT

(_____ Project)

HUMAN RESOURCES AGREEMENT

(_____ PROJECT)

This Human Resources Agreement ("Agreement") is entered into as of _____, by and between the City of Milwaukee ("CITY"), and _____ ("DEVELOPER").

WHEREAS, the parties to this Agreement acknowledge and understand that this Agreement is executed in conjunction with a _____ Agreement (_____ Project) dated as of the first day of _____, 200__ (the "_____ Agreement") executed by the parties in connection with the implementation of Tax Incremental District No. _____;

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding the utilization of EBEs (defined below), in Chapters 355 and 360 of the Milwaukee Code of Ordinances; and

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding the utilization of CITY residents in ~~see. 309-41 and~~ Chapter 355 of the Milwaukee Code of Ordinances; and

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding the payment of prevailing wages in Chapter 355 of the Milwaukee Code of Ordinances; and

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding the employment of apprentices and on-the-job trainees in Chapter 355 of the Milwaukee Code of Ordinances; and

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding a "first-source-employment" program to be utilized in the recruiting of applicants for new and replacement employment in Chapter 355 of the Milwaukee Code of Ordinances; and

WHEREAS, DEVELOPER acknowledges that CITY's approval and execution of the _____ Agreement was conditioned upon the DEVELOPER, its Affiliates and their agents, agreeing to meet the requirements of this Agreement with respect to the development~~construction~~ of the Project.

NOW, THEREFORE, the parties agree as follows:

I. DEFINITIONS

1. EMERGING BUSINESS ENTERPRISE ("EBE") is a small business concern that is owned, operated and controlled by one or more individuals who are at a disadvantage, as defined in Chapter 360 of the Milwaukee Code of Ordinances. The individuals must have day-to-day operational and managerial control, interest in capital, financial risks and earnings commensurate with the percentage of their ownership. Emerging Business Enterprises are certified as such by the CITY Certification Program. ~~It is important to note that those businesses that were certified under the old name (Disadvantaged Business Enterprise (DBE)) will continue to qualify for the program.~~ Notwithstanding anything to the contrary contained herein, DEVELOPER may rely on CITY's certification that a particular business qualifies as an EBE and all work performed by a business certified by CITY as an EBE shall qualify as work to be applied toward the percentage of total PROJECT Costs more particularly described below.

2. EBEP means CITY's EBE Program.

3. FIRST-SOURCE EMPLOYMENT PROGRAM means an employment program operated by CITY or its designee which is to be utilized as contractors' first source for recruiting applicants for both new and replacement employment.

4. JOINT VENTURE is an association of two (2)-or more persons or businesses to carry out a single business enterprise for profit for which purpose they combine their property, capital, efforts, skills and/or knowledge.

5. PROJECT means the _____ PROJECT, as more particularly described on **EXHIBIT A**.

6. PROJECT COSTS means all costs of the PROJECT, but less and excluding all PROJECT COSTS associated with the purchase, lease or right to use any land; permit fees paid to CITY or any other governmental entity or quasi-governmental entity; utility company fees; financing and interest expenses; insurance premiums; work within trades for which there is no available EBE participation; other work not contracted through DEVELOPER and over which DEVELOPER does not have direction or control in the selection of contractors or material providers for the same; and other costs approved by DEVELOPER and the CITY's EBEP Office, with such approval not being unreasonably withheld. Prior to the commencement of each phase or portion of the PROJECT, DEVELOPER or its representatives and the EBEP Office shall meet and confer to determine the eligible PROJECT COSTS for such phase or portion of the PROJECT.

7. RPP means CITY's Resident Preference Program.

II. EMERGING BUSINESS ENTERPRISE PROGRAM

DEVELOPER shall, in developing and constructing the PROJECT, utilize EBEs for no less than 20% of the total PROJECT Construction Costs and 10% of the amounts expended for the purchase of services, professional services and supplies for the PROJECT deemed eligible pursuant to EBE guidelines.

A. DEVELOPER from and after the date of this Agreement and in conjunction with the PROJECT, shall undertake the following activities:

1. Advertising in general circulation and trade association media, as well as in community newspapers, regarding contracting and subcontracting opportunities. Advertising in the Daily Reporter and two other publications shall be the minimum acceptable level of performance. See EXHIBIT B.
2. Providing interested EBEs and the agencies listed in EXHIBIT C, with adequate information about the PROJECT plans, specifications, and contract/subcontract requirements prior to the contract bidding process.
3. Obtaining and submitting the Affidavit of Participation Plan, EXHIBIT D, to the EBEP Office, ~~upon request~~. This form must be submitted with contractor's or subcontractor's bids or as otherwise specified by the EBEP Office.
4. Providing written notice to all pertinent construction trade and professional service EBEs listed in the current EBE BusinessCITY Directory, soliciting their services in sufficient time (at least 1 week) to allow those businesses to participate effectively in the contract bidding process. To identify EBEs for the PROJECT, the current *Official CITY of Milwaukee EBE Business Directory* published by the EBEP Office should be utilized. The directory can be accessed on-line at: www.milwaukee.gov/ebe.

Following-up with EBEs which show an interest in the PROJECT during the initial solicitation process and maintaining documentation of any contact with such EBE.

5. Selecting trade and professional service areas for EBE awards in which the greatest number of EBEs exist to perform the work, and where appropriate, breaking down contracts or subcontracts into smaller, economically feasible units to facilitate EBE participation.
6. Negotiating in "good faith" with interested EBEs, not rejecting EBE bids as unqualified or too high without sound reasons based on a thorough review of the bid submitted and maintain documentation to support the rejection of any EBE bid. Bids that are not cost effective, and/or which are not timely or consistent with the PROJECT schedule will be considered "rejectable" bids by the EBEP Office.
7. Using commercially reasonable efforts to utilize the services offered by public or private agencies and other organizations in identifying EBEs available to perform work.
8. Including in PROJECT bid documents and advertisements an explanation of PROJECT requirements for EBE participation to prospective contractors and subcontractors.

9. As necessary and whenever possible, using commercially reasonable efforts to facilitate the following:
 - a) Joint ventures, limited partnerships or other business relationships intended to increase EBE areas of expertise, bonding capacityCITY, credit limits, etc.
 - b) Training relationships
 - c) Mentor/protégé agreements
- B. If DEVELOPER completes the aforementioned activities [**and demonstrates “good cause”**], as determined by the EBEP Office, for not meeting the 20% requirement for EBE participation for the construction of any phase or portion of the PROJECT or the 10% requirement for the purchase of services, professional services and supplies for the PROJECT, it shall be deemed that DEVELOPER has acted in “good faith” and used best efforts to achieve the requirement with respect to such phase or portion.
- C. If at any point during the term of this Agreement, DEVELOPER meets or exceeds the 20% EBE requirement in conjunction with the construction of any phase or portion of the PROJECT or the 10% requirement for the purchase of services, professional services and supplies for the PROJECT, whether commenced before or after the date hereof, it shall be deemed that the DEVELOPER has achieved or exceeded CITY’s EBE requirement with respect to such phase or portion, for the purposes of fulfilling the terms of this Agreement. The parties acknowledge that fulfillment of CITY’s EBE requirement for the PROJECT shall be determined on an aggregate basis for all phases and portions of the PROJECT, whether commenced before or after the date hereof. Accordingly, to the extent that DEVELOPER exceeds CITY’s EBE requirement for any phase or portion of the PROJECT, the EBEP Office shall consider and reflect such excess in analyzing fulfillment of CITY’s EBE requirements for other phases and portions of the PROJECT.
- D. Contract or subcontract amounts awarded to EBE suppliers, that do not manufacture products they supply, may only be counted for up to 20% of the 20% EBE participation requirement.

III. **EBE REPORTING**

DEVELOPER agrees to report to CITY’s EBEP Office on DEVELOPER’s utilization of EBEs in its contracting activities for the PROJECT, pursuant to Chapter 360 of the Milwaukee Code of Ordinances. In order to monitor the PROJECT’s EBE participation, the CITY requires, and DEVELOPER agrees to take the following steps:

- A. Provide a list of all categories of PROJECT work for each phase or portion of the PROJECT, with budget allowances, for which bids will be solicited and highlight

those categories, based upon DEVELOPER's knowledge and experience, which are conducive to EBE participation.

- B. Provide the CITY's EBEP Office with documentation supporting efforts extended to solicit bids from EBEs. Upon request, DEVELOPER shall make information related to EBE bids available to CITY's EBEP Office.
- C. Submit an EBE Monthly Report to EBEP on or before the 20th of each month, or a quarterly report with the approval of the EBEP Office, on the form attached as **EXHIBIT E**.

IV. **RESIDENT PREFERENCE PROGRAM**

DEVELOPER shall, in developing and constructing the PROJECT, utilize ~~RPP-certified~~ unemployed or underemployed residents, as defined in sec. 355-1.3. of the Milwaukee Code of Ordinances, employees—for no less than 25% of the total “worker hours” expended on “Construction,” as defined in sec. 309.41 of the Milwaukee Code of Ordinances,¹ included in Project Costs but less and excluding all non-Construction Project Costs. In addition, DEVELOPER shall use “best efforts” to utilize unemployed or underemployed residents, as defined in sec. 355-1.3. of the Milwaukee Code of Ordinance, for no less than 10% of the total “worker hours” expended on non-Construction Project Costs and other costs which are not subject to obligations imposed on DEVELOPER by DEVELOPER’s lenders to utilize specified contractors and sub-contractors. DEVELOPER from and after the date of this Agreement and in conjunction with the PROJECT, shall undertake the following “best efforts” activities:

1. Listing and causing contractors and sub-contractors to list open positions with any first source hiring agency specified by CITY’s EBEP Office.
2. Disseminating information provided by CITY’s EBEP Office to all contractors and sub-contractors on how to recruit unemployed and underemployed residents.
3. Listing and causing contractors and sub-contractors to list job openings with Wisconsin Job Service, W-2 agencies and other agencies as specified by CITY’s EBEP Office.
4. Working in cooperation with CITY, identify and implement any other activities and steps to maximize utilization of unemployed and underemployed residents on the Project.

¹ The definition of “Construction” shall mean “Construction” as defined in sec. 309.41 of the Milwaukee Code of Ordinances, but as modified to reflect the private nature of this Project.

Prior to the commencement of the PROJECT, DEVELOPER or its representatives and the EBEP Office shall meet and confer to determine the eligible Project Costs, which are Construction costs subject to the mandatory RPP requirement as well as non-Construction and other costs subject to the "best efforts" requirements of this Section. If at any point during the term of this AGREEMENT, DEVELOPER meets or exceeds the 25% mandatory or 10% best efforts RPP requirements in conjunction with the PROJECT, it shall be deemed that the DEVELOPER has achieved or exceeded CITY's RPP requirement with respect to the PROJECT. For the purpose of fulfilling the terms of this AGREEMENT, the parties acknowledge that fulfillment of CITY's RPP requirement for the PROJECT shall be determined on an aggregate basis for all portions of the PROJECT, whether commenced before or after the date hereof, accordingly, to the extent the DEVELOPER exceeds the CITY's RPP requirement for any portion of the PROJECT, the EBEP office shall consider and reflect such excess in analyzing fulfillment of the CITY's RPP requirements for other portions of the PROJECT.

DEVELOPER shall file the reports attached as EXHIBIT F to evidence compliance with RPP requirements with CITY's EBEP Office.

V. LABOR STANDARDS AND WAGES

DEVELOPER shall comply with all applicable state and municipal labor standards provisions and shall pay or cause to be paid the prevailing wage rate, as defined in Wis. Stat. ~~§66.0903-0904~~ to all construction employees performing work on the Project. DEVELOPER shall provide and cause its contractors and subcontractors to provide CITY's EBEP Office any necessary documentation relative to compliance with applicable labor standards provisions and prevailing wage reports on forms specified by CITY's EBEP Office.

Notwithstanding the foregoing, the parties acknowledge that the DEVELOPER may be required to pay Davis-Bacon wage rates for construction of the PROJECT by virtue of its

participation in the U.S. Department of Housing and Urban Development Sec. 221 (d)4 loan guarantee program. In the event that Davis-Bacon requirements are deemed applicable to construction of the PROJECT, compliance with such requirements shall be deemed to constitute compliance with DEVELOPER's obligation to pay the prevailing wage rate under this Agreement, as defined in Wis. Stat. §66.0903.

VI. APPRENTICESHIP AND ON-THE-JOB TRAINEE REQUIREMENTS.

DEVELOPER shall employ, and shall require all contractors and subcontractors to employ, apprentices and on-the-job trainees in the performance of all construction contracts and subcontracts for the PROJECT entered into by DEVELOPER or each contractor or subcontractor in accordance with the maximum ratio of apprentices to journeymen established by the Wisconsin department of workforce development. In determining whether this requirement is appropriate for insertion in specifications for a particular construction contract, the EBEP Office may consider the nature of the work, whether the construction contract is of short duration and whether their work will involve trades which do not have apprentices or on-the-job trainees.

DEVELOPER shall submit and cause all contractors and subcontractors to submit contract time reports showing compliance with any contract requirements imposed in accordance with this section at least once every 3 months during the course of their work and within 10 days following completion of their work.

VII. FIRST-SOURCE EMPLOYMENT UTILIZATION.

A. DEVELOPER shall require all contractors and subcontractors on the PROJECT to utilize the FIRST-SOURCE EMPLOYMENT PROGRAM, and:

1. A contractor or subcontractor shall notify the EBEP Office, or its designee, about an open position, including a general description and the minimum requirements for qualified applicants prior to announcing or advertising such position for work which shall be performed as a result of a construction contract, construction subcontract or of a new employment position required for the PROJECT.

2. The contractor or subcontractor shall not make any public announcement or advertisement for a period of 10 business days after notification to the EBEP Office or its designee, of the availability of the position.
3. The EBEP Office or its designee shall maintain a database of job opportunities and shall provide information on these job opportunities to all city residents.
4. The advance notice period required by par. 2 shall be waived if there are no qualified candidates to refer to the contractor or subcontractor. The EBEP Office or its designee, shall notify the contractor or subcontractor of this waiver within 5 business days of being informed of the job availability.
5. The EBEP Office or its designee shall institute a tracking system and record which applicants were interviewed, which applicants were not interviewed and which applicants were hired for positions subject to this subsection.

B. The EBEP Office shall confirm that each construction contract for the PROJECT entered into by DEVELOPER requires contractors and subcontractors to enter into a first-source agreement with CITY or its designee which shall apply for the duration of the contract. A first-source recruitment agreement shall require:

1. Utilization of the FIRST-SOURCE EMPLOYMENT PROGRAM as the first source for recruitment and referral of applicants for new and replacement employment.
2. Allowing the FIRST-SOURCE EMPLOYMENT PROGRAM a minimum of 10 business days to refer applicants to contractors. Contractors may apply for a waiver of the 10-day requirement in emergency situations. Waivers may only be granted by the EBEP Office or its designee.
3. The contractor or subcontractor to interview and consider qualified applicants referred by the EBEP Office or its designee before interviewing other.
4. HIRING DECISIONS. Contractors and subcontractors shall retain the right to make all final hiring decisions.
5. AGREEMENTS. First-source recruitment agreements shall not require contractors or subcontractors to comply with this section if job vacancies or newly-created positions are filled by transfer or promotion from existing staff or from a file of qualified applicants previously referred by the EBEP Office or its designee.

C. The EBEP Office shall monitor compliance with this section.

VIII. CITY ADMINISTRATION.

CITY's EBEP Office shall have primary responsibility for the administration of this Agreement as well as primary monitoring and enforcement authority for the programs and activities encompassed by this Agreement. In exercising its responsibilities under the Agreement, CITY's EBEP Office shall use good faith and act in a reasonable manner. Notwithstanding the foregoing, CITY's ~~EBEP~~ EBEP Office shall make all information and data collected pursuant to this Agreement available to CITY's Department of City Development, ~~Department of Public Works~~ and Comptroller in order to allow fulfillment of their respective responsibilities with respect to the programs and activities encompassed by this Agreement. CITY's Department of City Development, ~~Department of Public Works~~ and Comptroller shall cooperate with and assist CITY's EBEP office in the administration of this Agreement.

IX. DEVELOPER ADMINISTRATIONADMINISTRATION.

DEVELOPER ~~may~~shall retain a _____, ~~or another~~ person or firm ~~reasonably acceptable to CITY's EBEP Office,~~ to act as DEVELOPER's consultant and to assist in record keeping, collection of information and the filing of all reports necessary to demonstrate compliance with the requirements of this Agreement.

X. AUDIT RIGHTS.

DEVELOPER shall keep or cause others under its control, including its contractors and subcontractors to keep accurate, full and complete books and accounts with respect to costs of developing, constructing, and completing the PROJECT and carrying out the duties and obligations of DEVELOPER hereunder. All the books and accounts required to be kept hereunder shall be maintained in accordance with generally accepted accounting principles consistently applied, and shall be kept for a period of seven years.

XI. PUBLIC RECORDS.

~~This Agreement and certain documents relating hereto are, or may be, subject to Wisconsin's Public Records Law (see Wis. Stat. Ch. 19, Subch. II, and, in particular Wis. Stat. § 19.36(3) which includes records produced or collected under this Agreement). Records shall be maintained in accordance with requirements prescribed by the CITY with respect to all matters covered by this Contract. Both parties understand that the CITY is bound by Wisconsin Public Records Law, and as such, all of the terms of this Contract are subject to and conditioned on the provisions of Wis. Stat. Section 19.21, et seq. DEVELOPER acknowledges that it is obligated to assist the CITY in retaining and producing records that are subject to Wisconsin Public Records Law, and the DEVELOPER must defend and hold the City harmless from liability under that law. Except as otherwise authorized, these records shall be maintained for a period of seven (7) years from the date of this Agreement. DEVELOPER shall and agrees to cause others under its control to cooperate with CITY in the event any of them receive a request under Wisconsin's Public Records Law for this Agreement or for any record relating to, or produced or collected under this Agreement which is subject to the Public Records Law.~~

XII. NOTICES.

All notices under this Agreement shall be made in writing and deemed served upon depositing the same in the United States Postal Service as "Certified Mail, Return Receipt Requested," addressed as follows:

A. To the CITY: EBE Program Office
City of Milwaukee
200 East Wells Street
Milwaukee, WI 53202
Attn: Director

With a copy to: Department of City Development
City of Milwaukee
809 North Broadway
Milwaukee, WI 53202

Attn: Commissioner

B. To DEVELOPER:

Attn:

With a copy to:

Attn:

XIII. SANCTIONS.

In the event that any document submitted to CITY by DEVELOPER or a contractor or subcontractor of DEVELOPER contains false, misleading or fraudulent information or demonstrates non-compliance with the requirements of this Agreement, the EBEP Office may seek prosecution under § 355-19 MCO or the imposition of any of the following sanctions:

- a. Collection of any prevailing wage shortfall, with interest, for distribution to employees performing work on the PROJECT.
- b. Imposition of a requirement that remedial efforts be undertaken by DEVELOPER for the remaining portion of the PROJECT where initial reports demonstrate non-compliance with the resident preference hours required for the PROJECT.
- c. Specific performance or specified remedies under this Agreement or any first-source recruitment agreement.
- d. Remedies available to CITY under the _____ Agreement for such non-compliance. ~~TO BE INSERTED.~~
- e. Forfeiture of all or a portion of DEVELOPER's "Human Resources Deposit." Upon execution of the _____ Agreement DEVELOPER shall deposit with CITY a letter-of-credit, cash or a bond in form and substance acceptable to the EBEP Office in an amount equal to one percent (1%) of the direct financial assistance received by DEVELOPER from CITY in aid of the PROJECT or \$25,000.00, whichever is greater (the "Human Resources Deposit"). The Human Resources Deposit shall be returned to DEVELOPER upon compliance with all of the terms, conditions and requirements of the Agreement. In the event the DEVELOPER demonstrates that "best efforts", as determined by the EBEP Office, have been exercised to meet the terms, conditions and requirements of this Agreement even though

DEVELOPER has not fully complied with such terms, conditions and requirements, fifty percent of the Human Resources Deposit shall be returned to DEVELOPER. In all other cases, the Human Resources Deposit shall be retained by the CITY.

IN WITNESS WHEREOF, the parties have executed this Human Resources Agreement
as of the ____ day of _____, 200__.

DEVELOPER

CITY OF MILWAUKEE

By: _____
Its: _____

By: _____
Tom Barrett, Mayor

By: _____
Ronald D. Leonhardt, City Clerk

By: _____
W. Martin Morics, City Comptroller

EXHIBIT A

PROJECT DESCRIPTION

(The PROJECT is legally described on EXHIBIT “___” to the _____ Agreement. A narrative description of the PROJECT is set forth in _____ of the _____ Agreement.)

EXHIBIT B

Conquistador
3206 West National Avenue
Milwaukee, WI 53215
Telephone 414.383.1000
Fax 414.383.8885
(Published weekly)

Daily Reporter
225 East Michigan Street
Milwaukee, WI 53202
Telephone 414.276.0273
Fax 414.276.4416
(Published weekly)

Milwaukee Community Journal, Inc.
3612 N. Dr. Martin Luther King Jr. Drive
Milwaukee, WI 53212
Telephone 414.265.5300
Fax 414.265.1536
(Published twice weekly)

The Milwaukee Courier
2431 West Hopkins Street
Milwaukee, WI 53206
Telephone 414.449.4860
Fax 414.449.4872
(Published weekly)

Milwaukee Times
1938 N. Dr. Martin Luther King, Jr. Drive
Milwaukee, WI 53212
Telephone 414.263.5088
Fax 414.263.4445
(Published weekly)

EXHIBIT C

African American Chamber of Commerce
6203 West Capitol Drive
Milwaukee, WI 53216
Phone: 414.462.9450

Hispanic Chamber of Commerce
816 West National Avenue
Milwaukee, WI 53204
Phone: 414.643.6963

American Indian Chamber of Commerce
10809 West Lincoln Avenue
West Allis, WI 53227
Phone: 414.604.2044

National Association of Minority Contractors
3100 West Concordia Avenue
Milwaukee, WI 53216
Phone: 414.449.0837

Hmong Wisconsin Chamber of Commerce
3616 W. National Avenue, Suite 99
Milwaukee, WI 53215
Phone: 414.645-8828

EXHIBIT D

AFFIDAVIT OF PARTICIPATION PLAN

DRAFT: FINAL VERSION TO BE PROVIDED BY EBEP OFFICE

	Total Bid Amount \$
Professional Service Provider/Contractor	

The bidder's minimum EBE commitment is _____ % of their base contract.

Consultants, Subcontractor or Supplier	Address	EBE Certified	Type of Work	Contract Value	% of Total Contract

I certify that the firm(s) identified the service and quoted the cost. If awarded this contract, our firm _____ intends to enter into subcontract agreements with the firm(s) listed for the services specified. The information on this form is true and accurate to the best of my knowledge. I further understand that falsification, fraudulent statement, or misrepresentation will result in appropriate sanctions under application Local, State or Federal laws.

Signature: _____

Print Name: _____

Title: _____ Date: _____

State of _____, County of _____

Subscribed and sworn to before me this _____ day of _____, 20_____.

My Commission Expires

Signature of Notary Public

DRAFT: FINAL VERSION TO BE PROVIDED BY EBEP OFFICE

 List all Emerging Business Enterprises utilized in connection with the above Project, either as subcontractors or suppliers.

If the EBE participation does not equal proposed goal amounts, state what actions will be taken to achieve prior to end of the project.

Signed: _____
Submitted By: _____

A-Native American Indian
H-Hispanic

Received By: _____
Date Received: _____

Title: _____
Date: _____

EXHIBIT F

_____ Project
Construction RPP Hours Calculation
Phase _____

RPP Goal

Total Construction Hours Worked Pursuant to § 355-7.1a. "Worker Hours" includes work performed by persons filling apprenticeship and on-the-job training programs and excludes the number of hours of work performed by all non-Wisconsin residents.	
Multiplied by 25%	
Applicable RPP Goal	
Total RPP Construction Hours	
RPP Hour Surplus/Shortfall	
RPP Percentage (Total RPP Construction Hours/Total Construction Hours Worked)	

| Doc No. 151232

Substitute Term Sheet
City of Milwaukee Loan Guarantee for Bookends Project
Development Agreement between City of Milwaukee and Bookends North, LLC
November 16, 2009

<u>Project:</u>	<p>The City of Milwaukee (“City”), via its Redevelopment Authority (“RACM”), intends to provide a City-backed guarantee (“City Guarantee”) to support a third party Unsecured Subordinate Loan (“Subordinate Loan”) to assist with the development of the Bookends rental residential project located at the northeast corner of Kilbourn Avenue and Van Buren Avenue.</p> <p>For the purposes of this Term Sheet, the term “City” collectively refers to the City, RACM, and/or other affiliates of these entities except where otherwise specified.</p> <p>The Bookends Project (“Project”) is a 19-story high-rise structure containing:</p> <ul style="list-style-type: none">• 224 for rent luxury apartment units;• 292 above ground, structured parking spaces; and• 3,000 square feet of street level retail <p>Total Project costs are estimated at \$60.2 million</p>
<u>Developer/ Borrower:</u>	<p>Bookends North, LLC is a Wisconsin Limited Liability Company owned 50% by New Land Development, LP and 50% by Wiechman Enterprises. Both partners will be co-managing members of the Developer entity. The ownership structure has not been finalized at this time, but organizational documents and a final structure will be provided within the next 1-2 months.</p>
<u>Zoning/Design Review:</u>	<p>As of November 3, 2009, the Project is zoned DPD (Detailed Planned Development) with permitted uses of multifamily residential dwelling units, parking, and retail and is subject to, and will be developed in accordance with, the standards required by these regulations. City review of permit drawings for consistency with these requirements is necessary prior to approval to commence construction.</p>
<u>Development Schedule:</u>	<p>Construction shall commence by June 1, 2010. The Developer shall secure a Certificate of Occupancy and reach Project completion within 19 months of construction commencement.</p>

<p><u>Project Budget:</u></p>	<p>Total Project budget is approximately \$60.2 million. Estimated total sources include:</p> <ul style="list-style-type: none"> • Approximately \$51.75 million in 221(d)4 loan proceeds funded by Love Funding and guaranteed by HUD • Approximately \$5.0 million in equity from the Developer (anticipated to consist of \$2.6 million in cash equity and \$2.4 million in deferred Developer fees) • \$3.45 million in Subordinate Loan proceeds guaranteed by the City of Milwaukee as described below <p>The primary financing for the Project will be a HUD 221(d)4-enhanced senior loan (“Senior Loan”) in an amount to be determined through final sizing, but not to exceed \$51.75 million and not less than \$51.0 million, funded by an investor anticipated to be the AFL-CIO and serviced by Love Funding. The term of this loan will be the construction period plus 480 months of amortization.</p> <p>Payments will be interest-only during the construction period, funded from a capitalized interest reserve. After completion, level monthly debt service payments commence such that the loan would be fully amortized over 480 months. These payments also we include a mortgage insurance charge equal to 45 basis points on the principal amount of the loan.</p> <p>The parties understand and agree that Love Funding is seeking a waiver on certain HUD cost limitations to reach a loan size of \$51.75 million, and that Love Funding has indicated that this is likely to be granted. They further agree that this Term Sheet and the ensuing Development Agreement are predicated on the grant of this waiver. If this waiver is not obtained, the City may deem this issue a material change that requires restructuring and supplementary approval.</p> <p>Prior to closing on Project financing, the Developer will obtain a Guaranteed Maximum Price contract with KBS Construction to construct the Project for a cost of no more than \$43.5 million (“GMP Contract”).</p>
<p><u>City Guarantee:</u></p>	<p>The City and/or RACM intend to enter into agreements reflecting the business terms articulated in this Term Sheet and customary lending/guarantee provisions (collectively, “Agreements”) to provide loan guarantee assistance for the Project. This will include a Development Agreement. Subject to completion of due diligence and satisfaction of all closing conditions, the City intends to provide this</p>

guarantee in an amount not to exceed \$3.45 million to support the original principal amount of a Subordinate Loan that the Developer will obtain.

The City Guarantee will have the following key terms:

- Term of the City Guarantee will be equal to the lesser of 79 months or the construction period plus 5 years
- City Guarantee applies solely to the original principal amount of the Subordinate Loan, not to any interest, whether accrued or otherwise
- The full amount of the City Guarantee will be payable to the Subordinate Lender upon a substantive monetary default (i.e. a monetary default that is not cured or curable, and does not arise from clerical/administrative error, payments late by less than 60 days, or other similar issues) by Developer, and expiration of reasonable cure periods
- Any payments under the City Guarantee will be subject to a customary Reimbursement Agreement and the repayment obligation will be secured by personal guarantees from Boris Gokhman, Vladimir Shuk, and James Weichmann (“Guarantors”) (including life insurance requirements as specified by the City). Personal guarantees shall be secured by a first lien on assets with a combined fair market value, as determined by independent appraisal, of not less than \$1.65 million.
- Guarantee shall only be payable on occurrence of an un-cured substantive monetary default occurring after issuance of a full Certificate of Occupancy for the Project.
- To the extent allowable by HUD, City will also be granted a second mortgage on the Project site to secure the City Guarantee
- City will have the right to require assignment of the Subordinate Loan from the Subordinate Lender immediately upon the City’s payment of the Guarantee
- Developer will be restricted from assuming any additional indebtedness secured by the Project other than the Senior and Subordinate Loan; Further, the Guarantee shall be immediately terminated upon sale or refinance of any portion of the Project or the Senior or Subordinate Loans.
- Carry a 2% origination fee to be paid to the City at closing
- Carry an annual maintenance fee of 2% per year during the construction period and first year of operations and 4% per year thereafter to be paid to the City on a subordinate basis to debt service on the Senior and Subordinate Loans, but prior to any equity distributions.
- Annual maintenance fees will be reserved in the Project budget

	<p>for the construction period and first operating year. These reserves will be pledged to the City and/or RACM and specifically excluded from the collateral for the Senior Loan.</p> <ul style="list-style-type: none"> • Annual maintenance fees paid to the City/RACM will be set aside into a restricted debt service reserve account (“Debt Service Reserve”) that may be used at the City’s discretion to protect against monetary defaults on the Subordinate Loan. If the amount remaining in this reserve drops below \$275,000, the Guarantors will be required to replenish the funds up to this amount. • Payments of Developer Fee or other fees or distributions to affiliates of the Developer will be fully subordinated to Senior and Subordinate Loan debt service payments as well as annual maintenance payments due to the City under the City Guarantee. <p>As a provision of the Development Agreement, the City shall also have the right to impose a long-term special assessment on the Project site to recover any funds the City has paid out on the City Guarantee.</p>
<p><u>Subordinate, Unsecured Loan (“Subordinate Loan”)</u></p>	<p>Currently, this loan is anticipated to be funded by Emerald Isle Investment Partners. The City reserves the right to approve any replacement lender. The Subordinate Loan supported by the City Guarantee will:</p> <ul style="list-style-type: none"> • Be issued on an accruing interest basis during the construction period, and an interest-only basis thereafter with no principal repayment required during the initial loan term • Be subordinated to the Senior Loan and have no mortgage on the Project or any other assets • Incorporate sufficient flexibility in payment timing to accommodate a typical schedule of HUD approval/release of net cash flow to the Developer • Have no provisions that could result in a default that would cause payment of the City’s guarantee during the construction period (i.e. prior to issuance of a full Certificate of Occupancy for the Project) • Have an original principal amount of no greater than the amount of the City Guarantee • Not be drawable to reimburse any Developer pre-paid costs or repay any debt obligations of the Developer or its affiliates • Carry an interest rate of no more than 9% calculated on a 360-day year consisting of 12 30-day months • Include an initial loan term extending at least 3 months beyond the expiration of the City Guarantee • Incorporate a reasonable cure period for any monetary or

	<p>technical defaults</p> <ul style="list-style-type: none"> • Allow the City/RACM to at its discretion cure monetary defaults on behalf of the Developer within the defined cure periods • Not include cross-default provisions that would automatically cause a default if the Developer defaults on its obligations to the City/RACM with respect to the Project • Grant the right for the City to require assignment of the Subordinate Loan upon payment of the City Guarantee • Require that any releases of the HUD-required Working Capital Reserve not needed to pay Project costs be set aside as a restricted debt service reserve for the Subordinate Loan
<u>Developer Equity:</u>	<p>The Developer will provide at least \$5.0 million of total equity, including not less than \$2.6 million of cash equity in the form of:</p> <ul style="list-style-type: none"> • Cash funded into the construction escrow at closing; and/or • City-approved pre-paid costs to third party entities <p>Cash equity (\$2.6 million) shall not be reimbursed or reimbursable via the proceeds of the Senior or Subordinate Loans.</p> <p>In addition, the Developer may defer up to 100% of Developer Fee (described below), estimated at \$2.4 million, and have this deferral counted toward the minimum overall \$5.0 million equity requirement. If a lesser amount is deferred and additional capital contributions are made instead, these contributions shall not be counted toward the \$2.6 million base cash equity requirement described above.</p>
<u>Developer Fee:</u>	<p>Developer Fees and Overhead allocations in the Project budget shall be limited to \$2.4 million. Any deferred portions to be counted towards the \$5 million total equity requirement (see “Developer Equity” above) shall be subordinated to the Senior and Subordinate loans and City Guarantee fees, and payable solely from net cash flow of the Project.</p>
<u>Conditions to Closing/Issuance of City Guarantee:</u>	<p>Preconditions to closing of Development Agreement and issuance of City Guarantee shall include, but not be limited to, such items as:</p> <p>A. <u>Design and Construction Cost Review.</u> The City of Milwaukee shall have reviewed and approved the final plans and specifications for the Project and the fully executed GMP Contract and issued full permits for commencement of building construction.</p>

- B. Evidence of Financing. Developer must provide evidence that, together with the Subordinate Loan, sufficient Senior Debt and Developer equity are committed (and all preconditions to funding satisfied) to pay for the costs of the Project.
- C. Project Property Appraisal. City is to be provided an “as completed” appraisal of the Project site evidencing a fair market value of at least \$60.2 million or additional equity and collateral will be required.
- D. Personal Guarantees and Verification of Assets. The City is to be provided with satisfactory personal guarantees from the principals of the Developer as described in the City Guarantee section of this Term Sheet, including acceptable evidence of the assets of these guarantors and acceptable life insurance. Personal guarantees shall be secured by a first lien on assets with a combined fair market value, as determined by independent appraisal, of not less than \$1.65 million.
- E. Loan Documents. City shall have received and approved all documentation related to the Senior and Subordinate loans.
- F. Evidence of Equity Contributions. City shall have received and approved evidence of the Developer’s cash equity contribution greater than or equal to the minimum amount specified in this Term Sheet.
- G. Insurance. Borrower shall provide City with evidence of Insurance for all coverage customary for the City and its affiliates on loan transactions. This will include hazard insurance.
- H. Title. Borrower is to provide evidence of title insurance naming City as mortgagee on Project site (if allowable by HUD) and any real property securing the City’s Guarantee

The City shall be granted the rights to monitor the construction process and to receive copies of all draw requests and supplemental information simultaneously with the Senior and Subordinate Lenders. Subordinate Lender and Developer shall also provide City with interest statements, debt service invoices, and evidence of payment.

<u>Profit Sharing:</u>	<p>The City will receive payments out of the sale or refinance of any portion of the Project as follows: Upon sale or refinance of the Project or portion thereof, the Developer shall provide to the City sufficient information to calculate the Project annual internal rate of return (IRR) on equity. If, upon the sale or refinance event, this return will exceed 20%, the City will share in 50% of net sale/refinance proceeds over and above the level necessary to achieve this 20% threshold. For the purposes of this IRR calculation, deferred Developer Fees shall be recognized as contributed equity during the construction period on a pro rata basis with expenditure of hard construction costs, and Internal Developer Costs (defined as payments of fees or expenses to the Developer or its affiliates) shall be considered equity distributions. Internal Developer Costs shall include but not be limited to salaries/payroll allocation, Developer fees, general/administrative and overhead, reserves, and payments of leasing or management fees to affiliates.</p> <p>This provision shall remain in effect while the City Guarantee is outstanding and/or while any Developer reimbursements obligations remain outstanding via the Reimbursement Agreement. This provision shall also encompass all calculations and/or distributions of profit made within 18 months of, or with respect to the year in which the later of the following occurs:</p> <ul style="list-style-type: none"> a) The expiration of the City Guarantee, or b) Fulfillment of all Developer obligations under the Reimbursement Agreement
<u>Development Agreement/Loan Agreements:</u>	<p>The City, RACM, Developer, and Subordinate Lender shall enter into the Agreements evidencing the City Guarantee, the Developer's obligation to reimburse the City in the event the City Guarantee is called upon, security provided to the City, the Developer's obligations, and other provisions consistent with this Term Sheet and customary for such development and transaction agreements. The Development Agreement, or a memorandum summarizing the terms thereof, will be recorded against the Project property with the Milwaukee County Register of Deeds.</p>
<u>Debt Service Reserve:</u>	<p>The Debt Service Reserve shall be escrowed or otherwise restricted during the term of the City Guarantee. During the term of the City Guarantee, the City shall have the exclusive right to direct the application of any funds in the Debt Service Reserve toward curing or forestalling of monetary defaults on the Subordinate Loan and/or</p>

	towards payment of the City Guarantee obligation. After the expiration of the City Guarantee, the City shall have the exclusive right to direct the release of any remaining funds in the Debt Service Reserve at its discretion.
<u>Limits on Developer Action:</u>	<p>Until all Developer obligations under the Development Agreement have been fully discharged, the Developer may not without City consent:</p> <ul style="list-style-type: none"> • Liquidate or consolidate the Project site; • Merge with another entity; • Enter into any transaction that would materially adversely affect the ability of the Developer to complete the Project or fulfill its obligations under the Development Agreement; • Assume additional indebtedness for which the collateral includes any portion of the Project or the Developer's interest therein, or any collateral pledged to the City • Assume or guarantee the obligations of any other person or entity that would materially adversely affect the ability of the Developer to complete the Project or repay the Senior and Subordinate Loans; or • Enter into a transaction that would cause a material and detrimental change to the Developer's financial condition
<u>Human Resources:</u>	See Exhibit A
<u>Prevailing Wages:</u>	See Exhibit A
<u>PILOT Payments:</u>	The Development Agreement will require payments in lieu of taxes with respect to any parcel, unit or building within the Project site that subsequently becomes exempt from real property taxes. This provision shall be incorporated into a covenant running with the land.
<u>Financial Statements:</u>	Throughout the term of the City Guarantee, Developer shall provide annual financial statements prepared and audited by outside accountants acceptable to the City no later than 120 days following the close of each Borrower fiscal year for the Project, certified as to accuracy by the

	<p>Developer, and annual tax returns within 120 days of the end of fiscal year. The City shall pledge to hold such records confidential to the greatest extent permitted by law. Developer shall also provide such other information on Project financial performance or other related matters as may be requested by the City in its discretion to oversee Developer performance and maintenance of collateral.</p> <p>Guarantors are required to provide the City with signed, updated personal financial statements within 120 days of the end of each year and if requested, a signed copy of their personal tax returns.</p>
<u>Defaults:</u>	<p>Monetary or technical defaults on the Senior or Subordinate Loans shall be considered Events of Default under the Development Agreement and, at the City's discretion, other ancillary documents executed by Developer and City. The Development Agreement will define these and other Events of Default, as well as corresponding cure periods and remedies if applicable. These Events of Default will be based on provisions in this Term Sheet, standard City Development Agreement provisions, and other commercially reasonable terms as may be required by the City. Default provisions shall include (but not be limited to) non-payment of Guarantee fees to the City. City remedies in the event of default shall include (but not be limited to) foreclosure on assets on which the City has a first lien and/or calls on personal guarantees.</p> <p>The City will not close on the Guarantee or Development Agreement if any Senior Loan documents contain cross-default provisions whereby the Senior Loan will be automatically in default if a default occurs on Developer obligations to Subordinate Lender or City. Likewise, Subordinate Loan may not include cross-default provisions triggered by Developer defaults on obligations to City.</p>
<u>General:</u>	<p>This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort shall be incorporated in one or more agreements, including the Agreements mentioned above, between the City and Developer. Resolutions approving the Term Sheet will also provide for the execution of all additional documents and instruments necessary to implement the Project.</p> <p>All other customary provisions (Comptroller audit rights, DCD Commissioner review and approval of Project budget and design, etc.) will also be included in the Development Agreement.</p>

HUMAN RESOURCES AGREEMENT

(_____ **Project**)

HUMAN RESOURCES AGREEMENT

(_____ PROJECT)

This Human Resources Agreement (“Agreement”) is entered into as of _____, by and between the City of Milwaukee (“CITY”), and _____ (“DEVELOPER”).

WHEREAS, the parties to this Agreement acknowledge and understand that this Agreement is executed in conjunction with a _____ Agreement (_____ Project) dated as of the first day of _____, 200__ (the “_____ Agreement”) executed by the parties in connection with the implementation of Tax Incremental District No. _____;

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding the utilization of EBEs (defined below), in Chapters 355 and 360 of the Milwaukee Code of Ordinances; and

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding the utilization of CITY residents in Chapter 355 of the Milwaukee Code of Ordinances; and

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding the payment of prevailing wages in Chapter 355 of the Milwaukee Code of Ordinances; and

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding the employment of apprentices and on-the-job trainees in Chapter 355 of the Milwaukee Code of Ordinances; and

WHEREAS, DEVELOPER acknowledges that CITY has established policies regarding a “first-source-employment” program to be utilized in the recruiting of applicants for new and replacement employment in Chapter 355 of the Milwaukee Code of Ordinances; and

WHEREAS, DEVELOPER acknowledges that CITY's approval and execution of the _____ Agreement was conditioned upon the DEVELOPER, its Affiliates and their agents, agreeing to meet the requirements of this Agreement with respect to the development of the Project.

NOW, THEREFORE, the parties agree as follows:

I. DEFINITIONS

1. EMERGING BUSINESS ENTERPRISE ("EBE") is a small business concern that is owned, operated and controlled by one or more individuals who are at a disadvantage, as defined in Chapter 360 of the Milwaukee Code of Ordinances. The individuals must have day-to-day operational and managerial control, interest in capital, financial risks and earnings commensurate with the percentage of their ownership. Emerging Business Enterprises are certified as such by the CITY Certification Program. Notwithstanding anything to the contrary contained herein, DEVELOPER may rely on CITY's certification that a particular business qualifies as an EBE and all work performed by a business certified by CITY as an EBE shall qualify as work to be applied toward the percentage of total PROJECT Costs more particularly described below.

2. EBEP means CITY's EBE Program.

3. FIRST-SOURCE EMPLOYMENT PROGRAM means an employment program operated by CITY or its designee which is to be utilized as contractors' first source for recruiting applicants for both new and replacement employment.

4. JOINT VENTURE is an association of two or more persons or businesses to carry out a single business enterprise for profit for which purpose they combine their property, capital, efforts, skills and/or knowledge.

5. PROJECT means the _____ PROJECT, as more particularly described on **EXHIBIT A**.

6. PROJECT COSTS means all costs of the PROJECT, but less and excluding all PROJECT COSTS associated with the purchase, lease or right to use any land; permit fees paid to CITY or any other governmental entity or quasi-governmental entity; utility company fees; financing and interest expenses; insurance premiums; work within trades for which there is no available EBE participation; other work not contracted through DEVELOPER and over which DEVELOPER does not have direction or control in the selection of contractors or material providers for the same; and other costs approved by DEVELOPER and the CITY's EBEP Office, with such approval not being unreasonably withheld. Prior to the commencement of each phase or portion of the PROJECT, DEVELOPER or its representatives and the EBEP Office shall meet and confer to determine the eligible PROJECT COSTS for such phase or portion of the PROJECT.

7. RPP means CITY's Resident Preference Program.

II. EMERGING BUSINESS ENTERPRISE PROGRAM

DEVELOPER shall, in developing and constructing the PROJECT, utilize EBEs for no less than 25% of the total PROJECT Construction Costs and 10% of the amounts expended for the purchase of services, professional services and supplies for the PROJECT deemed eligible pursuant to EBE guidelines.

A. DEVELOPER from and after the date of this Agreement and in conjunction with the PROJECT, shall undertake the following activities:

1. Advertising in general circulation and trade association media, as well as in community newspapers, regarding contracting and subcontracting opportunities. Advertising in the Daily Reporter and two other publications shall be the minimum acceptable level of performance. See **EXHIBIT B**.

2. Providing interested EBEs and the agencies listed in **EXHIBIT C**, with adequate information about the PROJECT plans, specifications, and contract/subcontract requirements prior to the contract bidding process.
3. Obtaining and submitting the Affidavit of Participation Plan, **EXHIBIT D**, to the EBEP Office. This form must be submitted with contractor's or subcontractor's bids or as otherwise specified by the EBEP Office.
4. Providing written notice to all pertinent construction trade and professional service EBEs listed in the current EBE Business Directory, soliciting their services in sufficient time (at least 1 week) to allow those businesses to participate effectively in the contract bidding process. To identify EBEs for the PROJECT, the current *Official CITY of Milwaukee EBE Business Directory* published by the EBEP Office should be utilized. The directory can be accessed on-line at: www.milwaukee.gov/ebe.

Following-up with EBEs which show an interest in the PROJECT during the initial solicitation process and maintaining documentation of any contact with such EBE.

5. Selecting trade and professional service areas for EBE awards in which the greatest number of EBEs exist to perform the work, and where appropriate, breaking down contracts or subcontracts into smaller, economically feasible units to facilitate EBE participation.
6. Negotiating in "good faith" with interested EBEs, not rejecting EBE bids as unqualified or too high without sound reasons based on a thorough review of the bid submitted and maintain documentation to support the rejection of any EBE bid. Bids that are not cost effective, and/or which are not timely or consistent with the PROJECT schedule will be considered "rejectable" bids by the EBEP Office.
7. Using commercially reasonable efforts to utilize the services offered by public or private agencies and other organizations in identifying EBEs available to perform work.
8. Including in PROJECT bid documents and advertisements an explanation of PROJECT requirements for EBE participation to prospective contractors and subcontractors.
9. As necessary and whenever possible, using commercially reasonable efforts to facilitate the following:
 - a) Joint ventures, limited partnerships or other business relationships intended to increase EBE areas of expertise, bonding capacity, credit limits, etc.
 - b) Training relationships

c) Mentor/protégé agreements

- B. If DEVELOPER completes the aforementioned activities and demonstrates “good cause”, as determined by the EBEP Office, for not meeting the 25% requirement for EBE participation for the construction of any phase or portion of the PROJECT or the 10% requirement for the purchase of services, professional services and supplies for the PROJECT, it shall be deemed that DEVELOPER has acted in “good faith” and used best efforts to achieve the requirement with respect to such phase or portion.
- C. If at any point during the term of this Agreement, DEVELOPER meets or exceeds the 25% EBE requirement in conjunction with the construction of any phase or portion of the PROJECT or the 10% requirement for the purchase of services, professional services and supplies for the PROJECT, whether commenced before or after the date hereof, it shall be deemed that the DEVELOPER has achieved or exceeded CITY’s EBE requirement with respect to such phase or portion, for the purposes of fulfilling the terms of this Agreement. The parties acknowledge that fulfillment of CITY’s EBE requirement for the PROJECT shall be determined on an aggregate basis for all phases and portions of the PROJECT, whether commenced before or after the date hereof. Accordingly, to the extent that DEVELOPER exceeds CITY’s EBE requirement for any phase or portion of the PROJECT, the EBEP Office shall consider and reflect such excess in analyzing fulfillment of CITY’s EBE requirements for other phases and portions of the PROJECT.
- D. Contract or subcontract amounts awarded to EBE suppliers, that do not manufacture products they supply, may only be counted for up to 20% of the 25% EBE participation requirement.

III. RESIDENT PREFERENCE PROGRAM

DEVELOPER shall, in developing and constructing the PROJECT, utilize unemployed or underemployed residents, as defined in sec. 355-1.3. of the Milwaukee Code of Ordinances, for no less than 30% of the total “worker hours” expended on “Construction,” as defined in sec. 309.41 of the Milwaukee Code of Ordinances,¹ included in Project Costs but less and excluding all non-Construction Project Costs. DEVELOPER from and after the date of this Agreement and in conjunction with the PROJECT, shall undertake the following “best efforts” activities:

1. Listing and causing contractors and sub-contractors to list open positions with any first source hiring agency specified by CITY’s EBEP Office.

¹ The definition of “Construction” shall mean “Construction” as defined in sec. 309.41 of the Milwaukee Code of Ordinances, but as modified to reflect the private nature of this Project.

2. Disseminating information provided by CITY's EBEP Office to all contractors and sub-contractors on how to recruit unemployed and underemployed residents.
3. Listing and causing contractors and sub-contractors to list job openings with Wisconsin Job Service, W-2 agencies and other agencies as specified by CITY's EBEP Office.
4. Working in cooperation with CITY, identify and implement any other activities and steps to maximize utilization of unemployed and underemployed residents on the Project.
5. Disseminate Employee Affidavit form, attached as **EXHIBIT G**, to all contractors and sub-contractors for their use in documenting RPP compliance.

Prior to the commencement of the PROJECT, DEVELOPER or its representatives and the EBEP Office shall meet and confer to determine the eligible Project Costs, which are Construction costs subject to the mandatory RPP requirement. If at any point during the term of this AGREEMENT, DEVELOPER meets or exceeds the 30% mandatory RPP requirements in conjunction with the PROJECT, it shall be deemed that the DEVELOPER has achieved or exceeded CITY's RPP requirement with respect to the PROJECT. For the purpose of fulfilling the terms of this AGREEMENT, the parties acknowledge that fulfillment of CITY's RPP requirement for the PROJECT shall be determined on an aggregate basis for all portions of the PROJECT, whether commenced before or after the date hereof, accordingly, to the extent the DEVELOPER exceeds the CITY's RPP requirement for any portion of the PROJECT, the EBEP office shall consider and reflect such excess in analyzing fulfillment of the CITY's RPP requirements for other portions of the PROJECT.

DEVELOPER shall file the reports attached as **EXHIBIT F** to evidence compliance with RPP requirements with CITY's EBEP Office. All RPP reports shall be accompanied by supporting Employee Affidavits, in the form attached as **EXHIBIT G**.

IV. EBE AND RPP REPORTING

DEVELOPER agrees to report to CITY's EBEP Office, the City Common Council and the Zoning, Neighborhoods and Development Committee of the City Common Council on DEVELOPER's utilization of EBEs and unemployed or underemployed residents in its

contracting activities for the PROJECT, pursuant to Chapter 360 of the Milwaukee Code of Ordinances and in accordance with the requirements of this Agreement. In order to monitor the PROJECT's EBE and unemployed or underemployed worker participation, the CITY requires, and DEVELOPER agrees to take the following steps:

- A. Provide a list of all categories of PROJECT work for each phase or portion of the PROJECT, with budget allowances, for which bids will be solicited and highlight those categories, based upon DEVELOPER's knowledge and experience, which are conducive to EBE participation.
- B. Provide the CITY's EBEP Office with documentation supporting efforts extended to solicit bids from EBEs. Upon request, DEVELOPER shall make information related to EBE bids available to CITY's EBEP Office.
- C. Submit an EBE Monthly Report to EBEP on or before the 20th of each month, or a quarterly report with the approval of the EBEP Office, on the form attached as **EXHIBIT E**.
- D. Submit an EBE/RPP Report to the Common Council on a quarterly basis regarding achievement of EBE and RPP standards for the duration of construction. The forms attached as **EXHIBIT E** and **EXHIBIT F** shall be used for said quarterly reports.
- E. Make a quarterly presentation to the Zoning, Neighborhoods and Development Committee of the City Common Council regarding achievement of EBE and RPP standards for the duration of construction. Said presentation shall be coordinated through the EBEP office.

V. LABOR STANDARDS AND WAGES

DEVELOPER shall comply with all applicable state and municipal labor standards provisions and shall pay or cause to be paid the prevailing wage rate, as defined in Wis. Stat. §66.0904 to all construction employees performing work on the Project. DEVELOPER shall provide and cause its contractors and subcontractors to provide CITY's EBEP Office any necessary documentation relative to compliance with applicable labor standards provisions and prevailing wage reports on forms specified by CITY's EBEP Office.

Notwithstanding the foregoing, the parties acknowledge that the DEVELOPER may be required to pay Davis-Bacon wage rates for construction of the PROJECT by virtue of its

participation in the U.S. Department of Housing and Urban Development Sec. 221 (d)4 loan guarantee program. In the event that Davis-Bacon requirements are deemed applicable to construction of the PROJECT, compliance with such requirements shall be deemed to constitute compliance with DEVELOPER's obligation to pay the prevailing wage rate under this Agreement.

VI. APPRENTICESHIP AND ON-THE-JOB TRAINEE REQUIREMENTS.

DEVELOPER shall employ, and shall require all contractors and subcontractors to employ, apprentices and on-the-job trainees in the performance of all construction contracts and subcontracts for the PROJECT entered into by DEVELOPER or each contractor or subcontractor in accordance with the maximum ratio of apprentices to journeymen established by the Wisconsin department of workforce development. In determining whether this requirement is appropriate for insertion in specifications for a particular construction contract, the EBEP Office may consider the nature of the work, whether the construction contract is of short duration and whether their work will involve trades which do not have apprentices or on-the-job trainees.

DEVELOPER shall submit and cause all contractors and subcontractors to submit contract time reports showing compliance with any contract requirements imposed in accordance with this section at least once every 3 months during the course of their work and within 10 days following completion of their work.

VII. FIRST-SOURCE EMPLOYMENT UTILIZATION.

A. DEVELOPER shall require all contractors and subcontractors on the PROJECT to utilize the FIRST-SOURCE EMPLOYMENT PROGRAM, and:

1. A contractor or subcontractor shall notify the EBEP Office, or its designee, about an open position, including a general description and the minimum requirements for qualified applicants prior to announcing or advertising such position for work which shall be performed as a result of a construction contract, construction subcontract or of a new employment position required for the PROJECT.

2. The contractor or subcontractor shall not make any public announcement or advertisement for a period of 10 business days after notification to the EBEP Office or its designee, of the availability of the position.
3. The EBEP Office or its designee shall maintain a database of job opportunities and shall provide information on these job opportunities to all city residents.
4. The advance notice period required by par. 2 shall be waived if there are no qualified candidates to refer to the contractor or subcontractor. The EBEP Office or its designee, shall notify the contractor or subcontractor of this waiver within 5 business days of being informed of the job availability.
5. The EBEP Office or its designee shall institute a tracking system and record which applicants were interviewed, which applicants were not interviewed and which applicants were hired for positions subject to this subsection.

B. The EBEP Office shall confirm that each construction contract for the PROJECT entered into by DEVELOPER requires contractors and subcontractors to enter into a first-source agreement with CITY or its designee which shall apply for the duration of the contract. A first-source recruitment agreement shall require:

1. Utilization of the FIRST-SOURCE EMPLOYMENT PROGRAM as the first source for recruitment and referral of applicants for new and replacement employment.
2. Allowing the FIRST-SOURCE EMPLOYMENT PROGRAM a minimum of 10 business days to refer applicants to contractors. Contractors may apply for a waiver of the 10-day requirement in emergency situations. Waivers may only be granted by the EBEP Office or its designee.
3. The contractor or subcontractor to interview and consider qualified applicants referred by the EBEP Office or its designee before interviewing other.
4. **HIRING DECISIONS.** Contractors and subcontractors shall retain the right to make all final hiring decisions.
5. **AGREEMENTS.** First-source recruitment agreements shall not require contractors or subcontractors to comply with this section if job vacancies or newly-created positions are filled by transfer or promotion from existing staff or from a file of qualified applicants previously referred by the EBEP Office or its designee.

C. The EBEP Office shall monitor compliance with this section.

VIII. CITY ADMINISTRATION.

CITY's EBEP Office shall have primary responsibility for the administration of this Agreement as well as primary monitoring and enforcement authority for the programs and activities encompassed by this Agreement. In exercising its responsibilities under the Agreement, CITY's EBEP Office shall use good faith and act in a reasonable manner. Notwithstanding the foregoing, CITY's EBEP Office shall make all information and data collected pursuant to this Agreement available to CITY's Department of City Development, and Comptroller in order to allow fulfillment of their respective responsibilities with respect to the programs and activities encompassed by this Agreement. CITY's Department of City Development, and Comptroller shall cooperate with and assist CITY's EBEP office in the administration of this Agreement.

IX. DEVELOPER ADMINISTRATION.

DEVELOPER shall retain a person or firm reasonably acceptable to CITY's EBEP Office, to act as DEVELOPER's consultant and to assist in record keeping, collection of information and the filing of all reports necessary to demonstrate compliance with the requirements of this Agreement. DEVELOPER shall also comply with the reporting requirements set forth in Section IV of this Agreement.

X. AUDIT RIGHTS.

DEVELOPER shall keep or cause others under its control, including its contractors and subcontractors to keep accurate, full and complete books and accounts with respect to costs of developing, constructing, and completing the PROJECT and carrying out the duties and obligations of DEVELOPER hereunder. All the books and accounts required to be kept

hereunder shall be maintained in accordance with generally accepted accounting principles consistently applied, and shall be kept for a period of seven years.

XI. PUBLIC RECORDS.

Records shall be maintained in accordance with requirements prescribed by the CITY with respect to all matters covered by this Contract. Both parties understand that the CITY is bound by Wisconsin Public Records Law, and as such, all of the terms of this Contract are subject to and conditioned on the provisions of Wis. Stat. Section 19.21, et seq. DEVELOPER acknowledges that it is obligated to assist the CITY in retaining and producing records that are subject to Wisconsin Public Records Law, and the DEVELOPER must defend and hold the City harmless from liability under that law. Except as otherwise authorized, these records shall be maintained for a period of seven (7) years from the date of this Agreement.

XII. NOTICES.

All notices under this Agreement shall be made in writing and deemed served upon depositing the same in the United States Postal Service as "Certified Mail, Return Receipt Requested," addressed as follows:

A. To the CITY:

EBE Program Office
City of Milwaukee
200 East Wells Street
Milwaukee, WI 53202
Attn: Director

With a copy to:

Department of City Development
City of Milwaukee
809 North Broadway
Milwaukee, WI 53202
Attn: Commissioner

B. To DEVELOPER:

Attn:_____

With a copy to: _____

Attn: _____

XIII. SANCTIONS.

In the event that any document submitted to CITY by DEVELOPER or a contractor or subcontractor of DEVELOPER contains false, misleading or fraudulent information or demonstrates non-compliance with the requirements of this Agreement, the EBEP Office may seek prosecution under § 355-19 MCO or the imposition of any of the following sanctions:

- a. Collection of any prevailing wage shortfall, with interest, for distribution to employees performing work on the PROJECT.
- b. Imposition of a requirement that remedial efforts be undertaken by DEVELOPER for the remaining portion of the PROJECT where initial reports demonstrate non-compliance with the resident preference hours required for the PROJECT.
- c. Specific performance or specified remedies under this Agreement or any first-source recruitment agreement.
- d. Remedies available to CITY under the _____ Agreement for such non-compliance.
- e. Forfeiture of all or a portion of DEVELOPER's "Human Resources Deposit." Upon execution of the _____ Agreement DEVELOPER shall deposit with CITY a letter-of-credit, cash or a bond in form and substance acceptable to the EBEP Office in an amount equal to one percent (1%) of the direct financial assistance received by DEVELOPER from CITY in aid of the PROJECT or \$25,000.00, whichever is greater (the "Human Resources Deposit"). The Human Resources Deposit shall be returned to DEVELOPER upon compliance with all of the terms, conditions and requirements of the Agreement. In the event the DEVELOPER demonstrates that "best efforts", as determined by the EBEP Office, have been exercised to meet the terms, conditions and requirements of this Agreement even though DEVELOPER has not fully complied with such terms, conditions and requirements, fifty percent of the Human Resources Deposit shall be returned to DEVELOPER. In all other cases, the Human Resources Deposit shall be retained by the CITY.

IN WITNESS WHEREOF, the parties have executed this Human Resources Agreement
as of the ____ day of _____, 200__.

DEVELOPER

CITY OF MILWAUKEE

By: _____
Its: _____

By: _____
Tom Barrett, Mayor

By: _____
Ronald D. Leonhardt, City Clerk

By: _____
W. Martin Morics, City Comptroller

Doc No. 151235

EXHIBIT A

PROJECT DESCRIPTION

(The PROJECT is legally described on EXHIBIT “___” to the _____ Agreement. A narrative description of the PROJECT is set forth in _____ of the _____ Agreement.)

DRAFT

EXHIBIT B

Conquistador
3206 West National Avenue
Milwaukee, WI 53215
Telephone 414.383.1000
Fax 414.383.8885
(Published weekly)

The Milwaukee Courier
2431 West Hopkins Street
Milwaukee, WI 53206
Telephone 414.449.4860
Fax 414.449.4872
(Published weekly)

Daily Reporter
225 East Michigan Street
Milwaukee, WI 53202
Telephone 414.276.0273
Fax 414.276.4416
(Published weekly)

Milwaukee Times
1938 N. Dr. Martin Luther King, Jr. Drive
Milwaukee, WI 53212
Telephone 414.263.5088
Fax 414.263.4445
(Published weekly)

Milwaukee Community Journal, Inc.
3612 N. Dr. Martin Luther King Jr. Drive
Milwaukee, WI 53212
Telephone 414.265.5300
Fax 414.265.1536
(Published twice weekly)

EXHIBIT C

African American Chamber of Commerce
6203 West Capitol Drive
Milwaukee, WI 53216
Phone: 414.462.9450

Hispanic Chamber of Commerce
816 West National Avenue
Milwaukee, WI 53204
Phone: 414.643.6963

American Indian Chamber of Commerce
10809 West Lincoln Avenue
West Allis, WI 53227
Phone: 414.604.2044

National Association of Minority Contractors
3100 West Concordia Avenue
Milwaukee, WI 53216
Phone: 414.449.0837

Hmong Wisconsin Chamber of Commerce
3616 W. National Avenue, Suite 99
Milwaukee, WI 53215
Phone: 414.645-8828

EXHIBIT D
AFFIDAVIT OF PARTICIPATION PLAN

DRAFT: FINAL VERSION TO BE PROVIDED BY EBEP OFFICE

Professional Service Provider/Contractor _____

Total Bid Amount \$_____

The bidder's minimum EBE commitment is _____% of their base contract.

Consultants, Subcontractor or Supplier	Address	EBE Certified	Type of Work	Contract Value	% of Total Contract

I certify that the firm(s) identified the service and quoted the cost. If awarded this contract, our firm _____ intends to enter into subcontract agreements with the firm(s) listed for the services specified. The information on this form is true and accurate to the best of my knowledge. I further understand that falsification, fraudulent statement, or misrepresentation will result in appropriate sanctions under application Local, State or Federal laws.

Signature: _____

Print Name: _____

Title: _____

Date: _____

State of _____, County of _____

Subscribed and sworn to before me this ____ day of _____, 20__

My Commission Expires _____ SEAL

Signature of Notary Public

EXHIBIT E
City of Milwaukee EBE Monthly Report

DRAFT: FINAL VERSION TO BE PROVIDED BY EBEP OFFICE

Project Name:
Project Address:
Contractor Name:
Contractor Address:
Phone Number:
Project Start Date:

City Contractor Number:
Total Project Budget:
Construction Budget:
Land Acquisition Amt:
Construction Draw YTD:
Project End Date:
EBE Goal: **25%** or

Report Period:
For Final Report:
Dates: _____
Total EBE \$ _____
Total EBE Percentage
\$ _____

List all Emerging Business Enterprises utilized in connection with the above Project, either as subcontractors or suppliers.

NAME OF EBE FIRM	EBE	SERVICE PERFORMED OR MATERIALS SUPPLIED	SUBCONTRACT AWARD AMOUNT	AMOUNT PAID THIS MONTH	TOTAL AMOUNT PAID TO DATE
TOTAL EBE PARTICIPATION			\$ -	\$ -	\$ -
EBE PARTICIPATION, AS PERCENT OF TOTAL CONTRACT VALUE AND PAID TO DATE					

If the EBE participation does not equal proposed goal amounts, state what actions will be taken to achieve prior to end of the project.

Information is to be completed by EBEP Analyst:
For Statistical Purposes Only
AA-African American
ASP-Asian Pacific American

for EBEP Use Only

Signed: _____
Submitted By:

A-Native American Indian
H-Hispanic

Received By: _____
Date Received: _____

Title: _____
Date: _____

DRAFT

EXHIBIT F

_____ Project
Construction RPP Hours Calculation
Phase _____

RPP Goal

Total Construction Hours Worked Pursuant to § 355-7.1a. “Worker Hours” includes work performed by persons filling apprenticeship and on-the-job training programs and excludes the number of hours of work performed by all non-Wisconsin residents.	
Multiplied by 30%	
Applicable RPP Goal	
Total RPP Construction Hours	
RPP Hour Surplus/Shortfall	
RPP Percentage (Total RPP Construction Hours/Total Construction Hours Worked)	

EXHIBIT G

XIV. **FORM RPP (Rev.2009)**

Contractor Name: _____

Development Project Name _____

Employee Affidavit Residents Preference Program

I certify that I maintain my permanent residence in the City of Milwaukee and that I vote, pay personal income tax, obtain my driver's license, etc. at _____, Milwaukee, WI _____

(Address)

(Zip Code)

Residency status:

To verify my resident status, attached please find the following (check one)

- _____ Copy of my voter's certification form.
- _____ Copy of my last year's Form 1040.
- _____ Copy of my current Wisconsin Driver's License or State ID.
- _____ Copy of Other (i.e., Utility bill, Lease, etc.)

AND

Unemployment status:

I certify that I have been unemployed as follows: (Check those that apply)

- _____ I have worked less than 1,200 hours in the preceding 12 months.
- _____ I have not worked in the preceding 30 days.

OR

Underemployed status:

_____ I certify that based on the attached chart (Income Eligibility Guidelines), I am underemployed.

Print Name

Sign Name

Social Security Number

Home Telephone Number

Subscribed and sworn to me this _____ day

Of _____, _____ A.D.

My Commission Expires _____.

Notary Public Milwaukee County

RPP Chart

Income Eligibility Guidelines July 1, 2009 to June 30, 2010

Eligibility determination is based on household size and income. Total income must be at or below the amount in the table.

Household Size	Yearly	Monthly	Twice per month	Every 2 weeks	Weekly
1	20,036	1,670	\$835	\$771	\$386
2	26,955	2,247	1,124	1,037	519
3	33,874	2,823	1,412	1,303	652
4	40,793	3,400	1,700	1,569	785
5	47,712	3,976	1,988	1,836	918
6	54,631	4,553	2,277	2,102	1,051
7	61,550	5,130	2,565	2,368	1,184
8	68,469	5,706	2,853	2,634	1,317
For each add'l household member add	6,919	577	289	267	134

Source: Wisconsin Department of Public Instruction
School Nutrition Programs

Term Sheet
City of Milwaukee Loan Guarantee for Bookends Project
Development Agreement between City of Milwaukee and Bookends North, LLC
October 21, 2009

<u>Project:</u>	<p>The City of Milwaukee (“City”), via its Redevelopment Authority (“RACM”), intends to provide a City-backed guarantee, City-issued letter of credit, or similar instrument (“City Guarantee”) to support a third party Unsecured Subordinate Loan (“Subordinate Loan”) to assist with the development of the Bookends rental residential project located at the northeast corner of Kilbourn Avenue and Van Buren Avenue.</p> <p>For the purposes of this Term Sheet, the term “City” collectively refers to the City, RACM, and/or other affiliates of these entities except where otherwise specified.</p> <p>The Bookends Project (“Project”) is a 19-story high-rise structure containing:</p> <ul style="list-style-type: none">• 224 for rent luxury apartment units;• 292 above ground, structured parking spaces; and• 3,000 square feet of street level retail <p>Total Project costs are estimated at \$60.2 million</p>
<u>Developer/ Borrower:</u>	<p>Bookends North, LLC is a Wisconsin Limited Liability Company owned 50% by New Land Development, LP and 50% by Wiechman Enterprises. Both partners will be co-managing members of the Developer entity. The ownership structure has not been finalized at this time, but organization documents and final structure will be provided within the next 1-2 months.</p>
<u>Zoning/Design Review:</u>	<p>The Project is zoned GPD (General Planned Development) with permitted uses of multifamily residential dwelling units, parking, and retail and is subject to, and being developed in accordance with, the standards required by these regulations. In order to start construction of the development, approval must be obtained to change the zoning from GPD to Detailed Planned Development (DPD) which would approve the actual building design, elevations, materials, final signage, floor plans, etc. The Developer has submitted an application to start this rezoning to DPD in Document FN 081081. On October 19, 2009, the City Plan Commission has approved the CPC file for the rezone from a GPD to a DPD for this project.</p>

<p><u>Development Schedule:</u></p>	<p>Construction shall commence by June 1, 2010. The Developer shall secure a Certificate of Occupancy and reach Project completion within 19 months of construction commencement.</p>
<p><u>Project Budget:</u></p>	<p>Total project budget is approximately \$60.2 million. Estimated total sources include:</p> <ul style="list-style-type: none"> • Approximately \$51.75 million in 221(d)4 loan proceeds funded by Love Funding and guaranteed by HUD • Approximately \$5.0 million in equity from the Developer (anticipated to consist of \$2.6 million in cash equity and \$2.4 million in deferred Developer fees) • \$3.45 million in Subordinate Loan guaranteed by the City of Milwaukee as described below <p>The primary financing for the Project will be a HUD 221(d)4-enhanced senior loan (“Senior Loan”) in an amount to be determined through final sizing, but not to exceed \$51.75 million and not less than \$51.0 million, funded by an investor anticipated to be the AFL-CIO and serviced by Love Funding. The term of this loan will be the construction period plus 480 months of amortization.</p> <p>Payments will be interest-only during the construction period, funded from a capitalized interest reserve. After completion, level monthly debt service payments commence such that the loan would be fully amortized over 480 months. These payments also we include a mortgage insurance charge equal to 45 basis points on the principal amount of the loan.</p> <p>The parties understand and agree that Love Funding is seeking a waiver on certain HUD cost limitations to reach a loan size of \$51.75 million, and that Love Funding has indicated that this is likely to be granted. They further agree that this Term Sheet and the ensuing Development Agreement are predicated on the grant of this waiver. If this waiver is not obtained, the City may deem this issue a material change that requires restructuring and supplementary approval.</p>
<p><u>City Guarantee:</u></p>	<p>The City intends to negotiate a Cooperation and Development Agreement with RACM and the Developer to provide loan guarantee assistance for the Project. Subject to completion of due diligence and satisfaction of all closing conditions, the City intends to provide this guarantee in an amount not to exceed \$3.45 million to support the <u>original principal amount</u> of a Subordinate Loan that the Developer will obtain.</p>

	<p>The City Guarantee will have the following key terms:</p> <ul style="list-style-type: none"> • Term of the City Guarantee will be equal to the lesser of 79 months or the construction period plus 5 years • City Guarantee applies solely to the original principal amount of the Subordinate Loan, not to any interest, whether accrued or otherwise • The full amount of the City Guarantee will be payable to the Subordinate Lender upon a substantive monetary default by Developer, and expiration of any cure periods • City Guarantee will be ultimately secured by the full faith and credit of the City of Milwaukee. • Any City payments under the City Guarantee will themselves be secured by personal guarantees from Boris Gokhman, Vladimir Shuk, and James Weichmann (including life insurance requirements as specified by the City) • Developer will also provide City with a senior and exclusive mortgage on the Sterling property or other real property collateral deemed acceptable by the City. • To the extent allowable by HUD, City will also be granted a second mortgage on the Project property to secure the City Guarantee • City will have the right to require assignment of the Subordinate Loan from the Subordinate Lender immediately upon the City's payment of the Guarantee • Developer will be restricted from assuming any additional indebtedness secured by the Project other than the Senior and Subordinate Loan • Carry a 2% origination fee to be paid to the City at closing • Carry an annual maintenance fee of 2% per year during the construction period and first year of operations and 4% per year thereafter to be paid to the City on a subordinate basis to debt service on the Senior and Subordinate Loans, but prior to any equity distributions. • Annual maintenance fees will be reserved in the project budget for the construction period and first operating year. <p>As a provision of the Development Agreement, the City shall also have the right to impose a long-term special assessment on the property to recover any funds the City has paid out on the City Guarantee.</p>
<p><u>Subordinate, Unsecured Loan ("Subordinate</u></p>	<p>Currently, this loan is anticipated to be funded by Emerald Isle Investment Partners. The City reserves the right to approve any replacement lender. The Subordinate Loan supported by the City</p>

<p><u>Loan”)</u></p>	<p>Guarantee will:</p> <ul style="list-style-type: none"> • Be issued on an accruing interest basis during the construction period, and an interest-only basis thereafter with no principal repayment required during the base loan term • Be subordinated to the Senior Loan and have no mortgage on the Project or any other assets • Incorporate sufficient flexibility in payment timing to accommodate a typical schedule of HUD approval/release of net cash flow to the Developer • Have no provisions that could result in a default that would trigger payment of the City’s guarantee during the construction period • Have an original principal amount of no greater than the amount of the City Guarantee • Not be drawable to reimburse any Developer pre-paid costs or repay any debt obligations of the Developer or its affiliates • Carry an interest rate of no more than 9% calculated on a 360-day year consisting of 12 30-day months • Include a base loan term extending at least 3 months beyond the expiration of the City Guarantee • Incorporate a reasonable cure period for any monetary or technical defaults • Grant the right for the City to require assignment of the Subordinate Loan upon payment of the City Guarantee • Require that any releases of the HUD-required Working Capital Reserve not needed to pay project costs would be set aside as a restricted debt service reserve for the Subordinate Loan
<p><u>Developer Equity:</u></p>	<p>The Developer will provide at least \$5.0 million of total equity, including not less than \$2.6 million of cash equity in the form of:</p> <ul style="list-style-type: none"> • Cash funded into the construction escrow at closing; and/or • City-approved pre-paid costs to third party entities <p>Cash equity (\$2.6 million) shall not be reimbursed or reimbursable via the proceeds of the Senior or Subordinate Loans.</p> <p>In addition, the Developer may defer up to 100% of Developer Fee (described below), estimated at \$2.4 million, and have this deferral counted toward the minimum overall \$5.0 million equity requirement. If a lesser amount is deferred and additional capital contributions are made instead, these contributions shall not be counted toward the \$2.6 million base cash equity requirement described above.</p>

<p><u>Developer Fee:</u></p>	<p>Developer Fees and Overhead allocations in the Project budget shall be limited to \$2.4 million. Any deferred portions to be counted towards the \$5 million total equity requirement (see “Developer Equity” above) shall be subordinated to the Senior and Subordinate loans, and payable solely from net cash flow of the Project.</p>
<p><u>Conditions to Closing/Issuance of City Guarantee:</u></p>	<p>Preconditions to closing of Development Agreement and issuance of City Guarantee shall include, but not be limited to, such items as:</p> <ul style="list-style-type: none"> A. <u>Design Review.</u> The City of Milwaukee shall have approved the final plans and specifications for the Project, and issued permits for building construction. B. <u>Evidence of Financing.</u> Developer must provide evidence that, together with the Subordinate Loan, sufficient Senior Debt and Developer equity are committed (and all preconditions to funding satisfied) to pay for the costs of the Project. C. <u>Project Property Appraisal.</u> City is to be provided an appraisal of the Project real property evidencing an appraised value of at least \$60.2 million or additional equity and collateral will be required. D. <u>Appraisal/Evidence of Value and Title Information on Guarantee Collateral.</u> City is to be provided an appraisal, financial statements, and/or other information satisfactory to the City as to the value of the real property collateral to be mortgaged to secure the City Guarantee. The 2009 Final Assessed Value of this collateral per the Milwaukee City Assessor shall not be less than \$1.65 million. The Developer will also provide satisfactory evidence of clear title to the City. E. <u>Personal Guarantees and Verification of Assets.</u> The City of Milwaukee is to be provided with satisfactory personal guarantees from the principals of the Project as described in the City Guarantee section of this Term Sheet, including acceptable evidence of the assets of these guarantors and acceptable life insurance. F. <u>Loan Documents.</u> City will have received and approved all documentation related to the Senior and Subordinate loans. G. <u>Evidence of Equity Contributions.</u> City will have received and approved evidence of the Developer’s cash equity contribution greater than or equal to the minimum amount specified in this

	<p>Term Sheet.</p> <p>H. <u>Insurance.</u> Borrower is to provide City with evidence of Insurance for all coverage customary for the City and its affiliates on loan transactions. This will include hazard insurance.</p> <p>I. <u>Title.</u> Borrower is to provide evidence of title insurance naming City as mortgagee on Project property (if allowable by HUD) and any real property securing the City's Guarantee</p> <p>The City will be granted the rights to monitor the construction process and to receive copies of all draw requests and supplemental information simultaneously with the Senior and Subordinate Lenders. Subordinate Lender and Developer will also provide City with interest statements, debt service invoices, and evidence of payment.</p>
<u>Development Agreement/Loan Agreements:</u>	<p>The City, RACM, and Developer shall enter into a Cooperation and Development Agreement, Guarantee Agreements (evidencing both the City's guarantee to the Subordinate Lender and the Developer's guarantees to the City), and ancillary loan documents containing terms consistent with this Term Sheet and customary for such development and transaction agreements (collectively, "Agreements"). The Development Agreement, or a memorandum summarizing the terms thereof, will be recorded against the Project property with the Milwaukee County Recorder of Deeds.</p>
<u>Limits on Developer Action:</u>	<p>Until all Developer obligations under the Development Agreement have been fully discharged, the Developer may not without City consent:</p> <ul style="list-style-type: none"> • Liquidate or consolidate the Site; • Merge with another entity; • Enter into any transaction that would materially adversely affect the ability of the Developer to complete the Project or its obligations under the Development Agreement; • Assume additional indebtedness for which the collateral includes any portion of the Project or the Developer's interest therein, or any collateral pledged to the City • Assume or guarantee the obligations of any other person or entity that would materially adversely affect the ability of the Developer to complete the Project or repay the Senior and Subordinate

	<p>Loans; or</p> <ul style="list-style-type: none"> • Enter into a transaction that would cause a material and detrimental change to the Developer's financial condition
<u>Human Resources:</u>	See Exhibit A
<u>Prevailing Wages:</u>	See Exhibit A
<u>PILOT Payments:</u>	The Development Agreement will require payments in lieu of taxes with respect to any parcel, unit or building within the Project site that subsequently becomes exempt from real property taxes. This provision shall be incorporated into a covenant running with the land.
<u>Financial Statements:</u>	<p>Throughout the term of the Loans, Developer shall provide annual financial statements prepared and audited by outside accountants acceptable to the City no later than 120 days following the close of each Borrower fiscal year for the Project, certified as to accuracy by the Developer, and annual tax returns within 120 days of the end of fiscal year. The City shall pledge to hold such records confidential to the greatest extent permitted by law. Developer shall also provide such other information on Project financial performance or other related matters as may be requested by the City in its discretion to oversee Developer performance and maintenance of collateral.</p> <p>Guarantors are required to provide the City with signed, updated personal financial statements within 120 days of the end of each year and if requested, a signed copy of their personal tax returns.</p>
<u>Defaults:</u>	Monetary or technical defaults on the Senior or Subordinate Loans shall be considered Events of Default under the Development Agreement and, at the City's discretion, other ancillary documents executed by Developer and City. The Development Agreement will define these and other Events of Default, as well as corresponding cure periods and remedies if applicable. These Events of Default will be based on provisions in this Term Sheet, standard City Development Agreement provisions, and other commercially reasonable terms as may be required by the City.
<u>General:</u>	This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort shall be incorporated in one or more agreements, including the

Agreements mentioned above, between the City and Developer. Resolutions approving the Term Sheet will also provide for the execution of all additional documents and instruments necessary to implement the Project.

All other customary provisions (Comptroller audit rights, DCD Commissioner review and approval of project budget and design, etc.) will also be included in the Development Agreement.

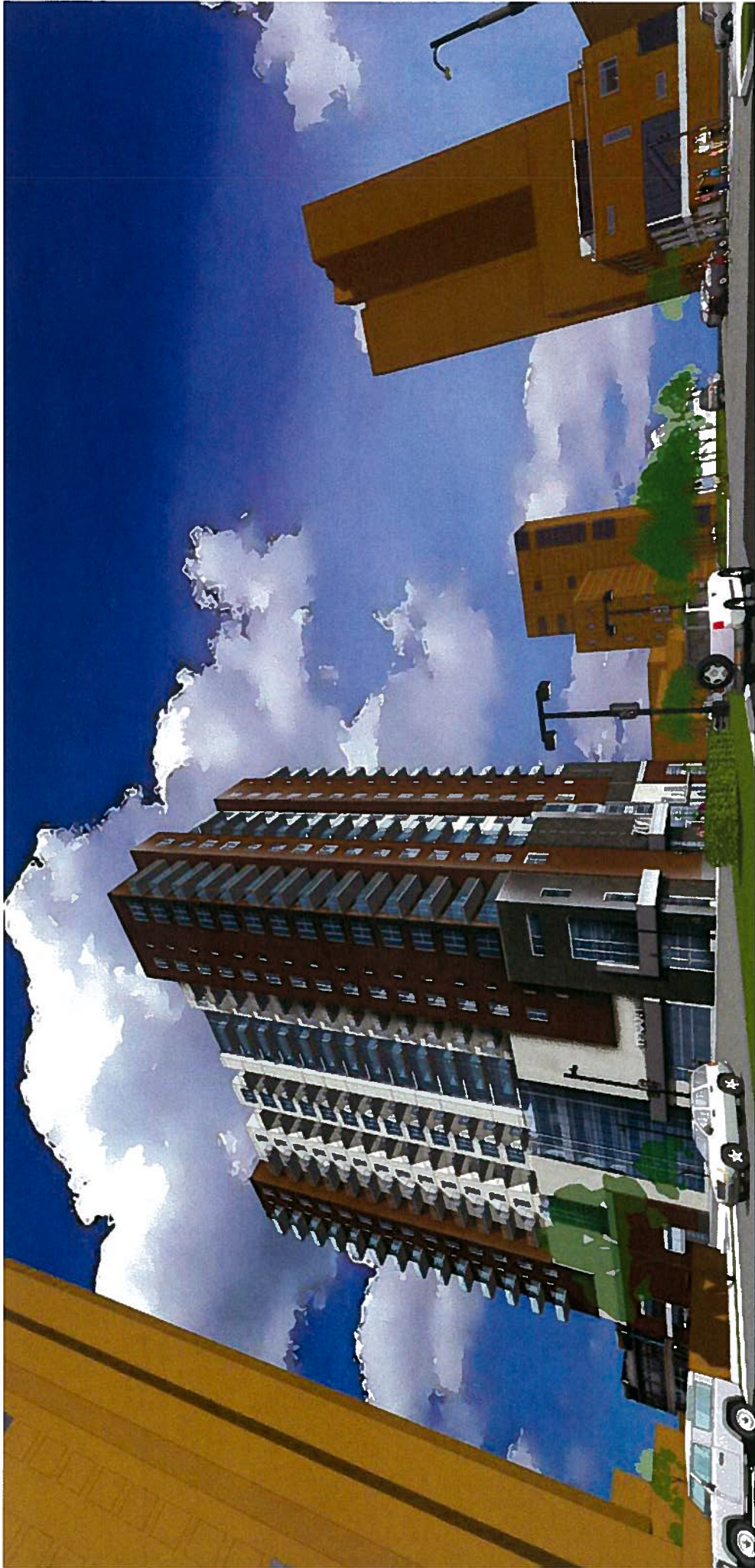
Exhibit A: Human Resource Requirements

It is the intent of the Department of City Development to submit a Substitute Exhibit A with language that adequately addresses the EBE, RPP, and Prevailing Wage requirements for this project by or before October 26, 2009 at 4:00 pm.

DRAFT



Kilbourn and Van Buren Apartments



Kilbourn and Van Buren Apartments



Kilbourn and Van Buren Apartments



Kilbourn and Van Buren Apartments



Kilbourn and Van Buren Apartments



Kilbourn and Van Buren Apartments

H. Hinkle



U.S. Department of Housing
and Urban Development
Milwaukee Field Office
310 West Wisconsin Avenue, Suite 1380
Milwaukee, WI 53203-2289
<http://www.hud.gov/lhca/mil/>

NOV 14 2009

Ms. Denise T. Troeschel
Deputy Chief Underwriter
Love Funding
1250 Connecticut Avenue, N.W., Ste 550
Washington, D.C. 20036

Dear Ms. Troeschel:

SUBJECT: MAP Pre-Application
Section 221(d)(4)
Project Name: Bookends
Project Location: Milwaukee, Wisconsin
Project Number: 075-35435-PM

This is to inform you that our staff has reviewed the pre-application materials for the subject proposal but is unable to invite an application for Firm Commitment for mortgage insurance at this time. The basis for this action is explained more below, but the underlying authority rests in the MAP Guidebook, paragraph 11.2 stating as follows:

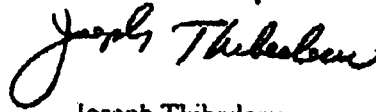
If the director concludes that an application should not be invited, or there are issues that need to be resolved before an application can be invited, the Team Leader will prepare a letter to the MAP Lender explaining why an application was not invited.

The most significant of our concerns regards the market and adverse impact. Based on our review of the market data, conditions do not appear favorable for this proposal. Also, an invite letter has recently been issued on a new construction project in the market area. We are concerned about the impact that the subject will have on the rent-up of this project.

In addition to the market and adverse impact concerns, there are concerns that the proposal requires the approval of waivers which lack adequate support.

We would consider reviewing another Pre-Application on the subject after the invited project is well into their rent-up – and showing a strong market. We would encourage you (at that time) to discuss the proposal with us prior to submitting a pre-application. If you have questions regarding this letter, please contact Annmarie Hinkle, Chief, Project Management at 414/297-3214, extension 8673.

Sincerely,



Joseph Thibedeau
Director
Milwaukee Multifamily Program
Center, SIH

bcc.

A. Hinkle, SIHDP

CITY OF MILWAUKEE FISCAL NOTE

A) DATE October 22, 2009FILE NUMBER: 090805Original Fiscal Note ☒ Substitute ☐SUBJECT: Substitute resolution approving the terms of a Cooperation and Development Agreement for the property located at 700 East Kilbourn Avenue, in the 4th Aldermanic District.B) SUBMITTED BY (Name/title/dept./ext.): Rocky Marcoux, Commissioner, DCD

C) CHECK ONE: ☒ ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
☐ ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
☐ NOT APPLICABLE/NO FISCAL IMPACT.

D) CHARGE TO: ☐ DEPARTMENT ACCOUNT(DA) ☐ CONTINGENT FUND (CF)
☐ CAPITAL PROJECTS FUND (CPF) ☐ SPECIAL PURPOSE ACCOUNTS (SPA)
☐ PERM. IMPROVEMENT FUNDS (PIF) ☐ GRANT & AID ACCOUNTS (G & AA)
☒ OTHER (SPECIFY)

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:	This file authorizes loan guarantee assistance to the developer. In the event of default by developer on its obligations to its subordinate lender, the City could potentially be required to repay the developer's subordinate lender up to the original principal amount of the subordinate loan. As such, \$3,450,000 of Contingent Borrowing will be reserved during the term of the loan guarantee to meet this obligation should it become necessary.		\$3,450,000 (plus capitalized interest)		
TOTALS					

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN **ANNUAL** BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT **SEPARATELY**.

<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

The Department intends to propose the creation of a new tax incremental district to provide a backstop funding mechanism in the event of a default and the City loan guarantee is called upon.

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE ☐

NOTICES SENT TO FOR FILE : 090805

[illegible]