



Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

Rocky Marcoux
Commissioner
rmarco@milwaukee.gov

Martha L. Brown
Deputy Commissioner
mbrown@milwaukee.gov

January 8, 2019

Mr. James R. Owczarski
City Clerk
City Hall, Room 205
Milwaukee, WI 53202

Dear Mr. Owczarski:

Enclosed is a fully executed copy of the First Amendment to Reed Street Yards Project Development Agreement between Reed Street Yards LLC and Building 41 LLC and the City of Milwaukee.

This agreement was executed pursuant to Common Council Resolution File No. 140453.

Sincerely,

Scott A. Stange
Procurement and Compliance Manager
Department of City Development

Enclosure



DUPLICATE
ORIGINAL

**FIRST AMENDMENT TO REED STREET YARDS
PROJECT DEVELOPMENT AGREEMENT**

THIS FIRST AMENDMENT TO REED STREET YARDS PROJECT DEVELOPMENT AGREEMENT is made the 31st day of December, 2018, by and between the City of Milwaukee ("City"), the Redevelopment Authority of the City of Milwaukee ("RACM"), Building 41, LLC ("Developer"), and Reed Street Yards, LLC (formerly known as RSY, LLC) ("RSY").

RECITALS

The City, RACM, Developer, and RSY acknowledge the following:

A. The City, RACM, Developer, and RSY entered into the Reed Street Yards Project Development Agreement ("the Agreement") for the project dated September 1, 2012.

B. The City, RACM, Developer, and RSY desire to enter into this First Amendment to Reed Street Yards Project Development Agreement (the "First Amendment") in order, subject to availability of funds, to increase Public Infrastructure Budget, with the City's portion of such increase to be paid for by Tax Incremental District No. 75, and to make certain other non-substantive changes to the Agreement.

D. The City has, via Resolution No. 140453 approved the First Amendment and authorized the proper City officers to execute same on the City's behalf.

D. RACM has, via Resolution No. 10491 approved the First Amendment and authorized the proper RACM officers to execute same on RACM's behalf.

E. Developer and RSY has approved the First Amendment and authorized execution of same on its behalf.

AGREEMENTS

Now, therefore, in consideration of the Recitals and the mutual promises and undertakings hereinafter contained, the parties mutually agree and covenant as follows:

1. The following definitions contained in Section 1.1. of the Agreement are hereby deleted and replaced with the following

"Initial City Investment" means up to the amount of \$6,877,770, to be made available by City from Tax Incremental Bond Account No. TD 07580000, or such other sources as may be determined by City, in order to allow City, RACM, Developer, and RSY to implement the Project in accordance with this Agreement. A maximum of \$6,259,770 will be made available for Public Infrastructure and the balance is anticipated to be

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applied to pay for Administrative Costs and the BID Loan. In the event that the BID Loan is funded from sources other than TID-75, City may reallocate a corresponding amount to other TID-75 expenditures. The City Investment excludes capitalized interest and/or any costs incurred by City in obtaining such funds.

“Phase 1 City Investment” means up to \$4,242,370 for Administrative Costs and Roadway, River Path, Dockwall, utilities, landscaping, Area Parking, street lighting and such other public costs and infrastructure as shown in the Public Infrastructure Budget attached as **EXHIBIT I**.

“Phase 2 City Investment” means up to \$2,281,400 for site remediation, stormwater management facilities, Project Site work and such other costs as shown in the Public Infrastructure Budget attached as **EXHIBIT I**. The Phase 2 City Investment will only be made available once sufficient increment is projected to be created to fully amortize and repay TID-75 by year twenty-four. City shall update the feasibility study to confirm, and City’s Comptroller shall review and concur, that sufficient increment will be generated to fully amortize TID-75 by year twenty-four before releasing the Phase 2 City Investment.

“Public Infrastructure Budget” means the overall budget for the Public Infrastructure for the Project, not to exceed \$6,259,770, including hard and soft costs, but excluding capitalized interest, TID administrative expenses and BID Loan expenses. The Public Infrastructure Budget and all amendments thereto shall be subject to the written approval of the Commissioner. A copy of the initial approved Public Infrastructure Budget is attached as **EXHIBIT I**.

- 2. Exhibit I to the Agreement shall be deleted and replaced with Exhibit A to the First Amendment to reflect the modification of the budget.
- 3. Article X of the Agreement is hereby deleted and replaced with the following:

X.
INITIAL CITY INVESTMENT

10.1 City shall make the Initial City Investment available for costs of the Phase 1 City Investment and Phase 2 City Investment, which include Public Infrastructure and Administrative Costs.

10.2 A maximum of \$6,259,770 of the Initial City Investment shall be disbursed by RSY through the Disbursement Agreement to be applied to the Public Infrastructure work. The balance of the Initial City Investment shall be available for Administrative Costs and the BID Loan.

10.3 Notwithstanding anything to the contrary in this Agreement, the Commissioner may waive the obligations of USL described in section 3.1 of this Agreement to the extent they are not applicable to the work described in this Article VII.

4. The City and RACM Notice addresses in Article XXXIII are hereby deleted and replaced with the following:

If to City:

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

With a copy to:

City of Milwaukee
City Attorney's Office
200 East Well Street
Milwaukee, WI 53202
Attn: Jeremy R. McKenzie

If to RACM:

Redevelopment Authority of the
City of Milwaukee
809 North Broadway
Milwaukee, WI 53202
Attn: Executive Director/Secretary

With a copy to:

City of Milwaukee
City Attorney's Office
200 East Wells Street, Suite 800
Milwaukee, WI 53202
Attn: Jeremy R. McKenzie

5. Except as modified in this First Amendment, all capitalized and/or defined terms in the First Amendment shall have the same meaning as set for the in the Agreement.
6. In the event of any conflict between the terms of the First Amendment and the terms of the Reed Street Yards Project Development Agreement, the terms of the First Amendment shall control.

In witness whereof, the City, RACM, Developer, and RSY have executed the First Amendment as of this day and year first above written.

Signature Pages Follows

**City/RACM Signature Page
First Amendment to
Reed Street Yards Development Agreement**

IN WITNESS WHEREOF, the City of Milwaukee and the Redevelopment Authority of the City of Milwaukee have caused this Agreement to be executed and delivered as of the day and year first above written.

CITY OF MILWAUKEE



Tom Barrett, Mayor



James R. Owczarski, City Clerk

COUNTERSIGNED:




Martin Matson, Comptroller JB

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE**



for _____
Lois A. Smith, Chair



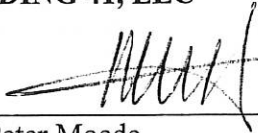
David P. Misky, Assistant Executive Director/Secretary

**Developer Signature Page for Building 41, LLC
First Amendment to
Reed Street Yards Development Agreement**

IN WITNESS WHEREOF, BUILDING 41, LLC caused this Agreement to be executed and delivered as of the day and year first above written.

BUILDING 41, LLC

By: _____



Peter Moede

Its: Manager

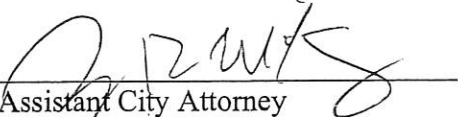
**RSY Signature Page
First Amendment to
Reed Street Yards Development Agreement**

IN WITNESS WHEREOF, Reed Street Yards, LLC caused this Agreement to be executed and delivered as of the day and year first above written.

REED STREET YARDS, LLC

By: 
Peter Moede
Its: Manager

Approved as to form, content, and execution this
7 day of January, 2018.⁹


Assistant City Attorney

1050-2017-166:238061

**Exhibit A to 1st Amendment to Reed Street Yards Project Development Agreement
Reed Street Yards TID Costs**

<u>Infrastructure</u>	<u>TID Phase 1</u>	<u>TID Phase 2</u>	<u>Loan to BID</u>	<u>1st Amendment to Development Agreement</u>
Paving - Pittsburgh	\$440,000	\$0	\$0	\$550,000
Paving - River Trail	\$66,500	\$0	\$28,500	\$0
Dockwall	\$225,000	\$0	\$225,000	\$0
Parking (Paving and Construction)	\$135,000	\$0	\$0	\$0
Street Lighting	\$165,000	\$0	\$0	\$0
Landscaping	\$94,200	\$0	\$0	\$0
Bioretention Zones	\$305,000	\$0	\$100,500	\$0
Environmental Remediation	\$200,000	\$574,000	\$0	\$0
Stormwater and Site Work	\$500,000	\$1,500,000	\$0	\$0
Sanitary Sewer	\$636,000	\$0	\$0	\$60,000
Water Main	\$250,000	\$0	\$0	\$0
Signage				\$50,000
Total Infrastructure	\$3,016,700	\$2,074,000		\$660,000
Contingency (10%)	\$301,670	\$207,400		\$0
Administration	\$264,000	\$0		\$0
TID Costs	\$3,582,370	\$2,281,400	\$354,000	\$660,000
TOTAL TID COSTS	\$6,523,770			
TID and BID Costs				\$6,877,770

EXHIBIT I
Public Infrastructure Budget*

Two budgets are attached to this Exhibit, the preliminary budget that was included as Exhibit B to the Term Sheet and a more detailed budget subsequently prepared by The Sigma Group. The parties acknowledge that the Project Plans have not yet been prepared and that the costs for each component of the Public Infrastructure set forth in the attached budgets are, accordingly, only estimates. The Commissioner shall have the authority to approve the reallocation of funds among categories and to approve modifications to Project components (e.g., to approve asphalt paving in lieu of concrete, rip rap for dockwall repairs, etc.) as the Project Plans are prepared so as to enable completion of the intended scope of the Public Infrastructure within the funding limits set forth in this Development Agreement.

* MMSD has confirmed that the extension of Pittsburgh Avenue through the Project Site will not cause any portion of the Project Site to lose its current status as riparian property for purposes of stormwater discharge. The parties concur with MMSD's conclusion. Further, DNR has represented that rip rap in lieu of sheet pile is an acceptable solution for dockwall repairs and that the slope of the rip rap can commence in the canal. While not committing at this point to the installation of rip rap in lieu of sheet pile, the parties concur with DNR's conclusion.

EXHIBIT I

Public Infrastructure Budget

<u>Infrastructure</u>	<u>TID Phase 1</u>	<u>TID Phase 2</u>	<u>Loan to BID</u>
Paving - Pittsburgh	\$440,000	\$0	\$0
Paving - River Trail	\$66,500	\$0	\$28,500
Dockwall	\$225,000	\$0	\$225,000
Parking (Paving/Construction)	\$135,000	\$0	\$0
Street Lighting	\$165,000	\$0	\$0
Landscaping	\$94,200	\$0	\$0
Bioretention Zones	\$305,000	\$0	\$150,000
Environmental Remediation	\$200,000	\$574,000	\$0
Stormwater and Site Work	\$500,000	\$1,500,000	\$0
Sanitary Sewer	\$636,000	\$0	\$0
Water Main	\$250,000	\$0	\$0
Total Infrastructure	\$3,016,700	\$2,074,000	
Contingency (10%)	\$301,670	\$207,400	
Administration	\$264,000	\$0	
TID Costs	\$3,582,370	\$2,281,400	\$354,000
TOTAL TID COSTS	\$5,863,770		
TID and BID Costs			\$6,217,770

EXHIBIT I

EXHIBIT I



BUDGET COST ESTIMATE - REED STREET YARDS PUBLIC INFRASTRUCTURE (Revised 10/31/2011)

ITEM DESCRIPTION	UNIT PRICE	UNIT	EST. QUAN.	AMOUNT
Sanitary (new main)	\$230	LF	1,185	\$272,550
Storm Sewer	\$75	LF	700	\$52,500
Bioswales	\$12	SF	43,450	\$621,400
Water (new main)	\$180	LF	1,164	\$209,520
Conc Pavement	\$32	SY	5,135	\$164,320
Aggregate Base	\$12.00	TON	2,318	\$27,817
30" Curb and Gutter	\$12.50	LF	2,665	\$33,313
Sidewalk	\$3.55	SF	11,525	\$40,914
Striping & Signage	\$5,000	LS	1	\$5,000
Storm Water Mgmt	\$1	SF	600,000	\$600,000
Import Fill	\$12	CY	22,000	\$264,000
Street Lighting	\$5,075	EA	32	\$162,400
Site Pad Restoration (Topsoil & Seeding)	\$5.00	SY	54,000	\$270,000
Streetscaping	\$34.75	LF	2,661	\$92,470
Environmental Remediation	\$18.00	CY	52,500	\$840,000
Demolition and Abatement	\$300,000	LS	1	\$300,000
Riverwalk	\$150	LF	1,200	\$180,000
Dockwall repair/modification	\$1,500	LHF	400	\$600,000
Parking Lots	\$28	SY	6,440	\$180,320
Construction Subtotal				\$4,816,523
Soft Costs				
Design Engineering				\$225,000
Environmental Engineering/Permitting				\$92,000
Construction Staking / Inspection				\$184,000
Preliminary Engineering - Sunk				\$35,000
Soft Cost Subtotal				\$536,000
Overall Contingency		10%		\$499,852
City Administration Costs				\$264,000

Assumptions:

- 1) Public streets will have concrete pavement
- 2) Storm sewer costs are only for public ROW collection & conveyance system (does not include site systems)
- 3) New sanitary sewer layout in public street to serve future building pads
- 4) Site prep & grading of overall site to include misc removals & filling site approx 2'-3' related to site storm water management, environmental capping, and building subgrade vapor system.
- 5) Pad restoration assumes creating rough building pad sites with topsoil & restoration seeding
- 6) Streetscaping is for street trees & landscaping
- 7) Riverwalk costs include walkway paving, softscape & hardscape landscaping
- 8) No costs included for any improvements along 3rd St or existing streets to the east
- 9) No cost for parking ramps or connections to existing properties adjacent to site
- 10) No costs included for MMSD relocations.
- 11) Costs prepared based on Madisen Architects plan, modified to conform to City of Milwaukee street width requirements.