

## MILWAUKEE WISCONSIN

## Failed deal blamed on alderman

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Critics of City Development Commissioner Rocky Marcoux — including Ald. Tony Zielinski — are using a 7-year-old battle over a battery factory to argue for his ouster, but officials in the Department of City Development say Zielinski was at fault for the proposal falling apart.

“His actions single-handedly cratered that deal,” Jim Paetsch said of Zielinski.

Paetsch is vice president of corporate expansion and attraction at Milwaukee 7 and was involved in discussions with Boston Power, a Massachusetts-based company that wanted to bring a lithium battery factory and 600 jobs to Milwaukee in the middle of the nation’s recession. But negotiations stalled in March 2009.

The failure to lure Boston Power to Milwaukee has resurfaced amid discussions of

Bid for battery factory has been cited in Marcoux battle

whether Marcoux should keep his job. Marcoux, credited with shepherding successful projects including the Menomonee Valley redevelopment, Century City Business Park, the Pabst Brewery complex, the Water Council area and others, has faced criticism that he is too focused on downtown at the expense of Milwaukee neighborhoods.

Mayor Tom Barrett has recommended Marcoux for a fourth four-year term, and the Zoning, Neighborhood, and Development Committee recommended him to the Common Council. But his confirmation was held up after aldermen voted to send it back to committee this month. Another committee vote is set for Tuesday, and a council vote is scheduled for July 26.

Email correspondence obtained by the Journal Sentinel shows that after Zielinski



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Zielinski

introduced a Common Council funding measure for the battery factory in March 2009, the Massachusetts congressional delegation — previously unaware that the company was looking to build a plant in Wisconsin — began lobbying Boston Power to set up its factory in its home state.

Milwaukee development officials were unaware that Zielinski planned to introduce the measure in the Common Council and found out about it from a reporter at a trade publication, according to Paetsch and email corre-

spondence among Paetsch, Marcoux and then-Boston Power CEO Christina Lampe-Onnerud.

“I received a call just now from a reporter at the Daily Reporter asking what I knew about a Common Council resolution authorizing \$20m for Boston Power,” reads a March 5, 2009, email sent by Paetsch to Marcoux and to Jim Scherer, then vice president of the Milwaukee Economic Development Corp. “Something perhaps Tony is doing?”

Scherer responded: “Tony has introduced a resolution granting (Boston Power) from \$1 to \$20 M. Just heard about it this afternoon.”

The measure was proposed in the Community and Economic Development Committee but never brought to a vote.

Zielinski told the Journal Sentinel last week that he in-

formed Marcoux about his plans to introduce the measure before he did it.

Jeff Fleming, spokesperson for the Department of City Development, said that wasn’t true.

“We learned a hard lesson about how important it is to keep your mouth shut before these deals are ready to go public,” Fleming said.

Zielinski said he had been in communication with a “very high-level person at Boston Power” throughout the eight-month negotiation process. He said that person knew he was going to propose a funding measure in the Common Council.

Zielinski added that his introduction of a council measure was a “gamble” meant to push Marcoux and Barrett to seal the deal.

“I didn’t want to have to introduce the resolution,” Zielinski said. “But I couldn’t

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## Factory bid resurfaces

wait any longer because Boston Power is telling me that they’re going to go overseas because we’re not consummating the agreement.”

Zielinski said Boston Power was prepared to close the deal from “day one” of the process, but Marcoux was “hemming and hawing.”

Zielinski on Sunday cited an Aug. 8, 2009, email he received from a Boston Power representative thanking him for his support for the plant proposal.

But Paetsch said that before signing on to an agreement, Boston Power would have had to make sure it had secured federal stimulus funding.

“The idea that they were ready to sign on to anything from day one is fiction,” he said.

Agreements like the one between Boston Power and the city usually take about 12 to 18 months to complete, Paetsch said.

A meeting between Boston Power and the Department of City Development had been scheduled to take place in April 2009 — the month after Zielinski introduced his resolution. A memo drafted for use at that meeting shows the city planned to provide the company with funds through a tax incremental financing district, as well as federal New Markets Tax Credits and Renewal Community Benefits.

The meeting was canceled shortly after Zielinski introduced his resolution.

After the Milwaukee deal fell through, Boston Power settled on Auburn, Mass., as a proposed factory location.

That plan never came to fruition because the company didn’t receive the federal stimulus grant.