



**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

February 22, 2017

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 the North End Project Development Agreement, between USL Land, LLC, the Redevelopment Authority of the City of Milwaukee and the City of Milwaukee.

This pertains to the Common Council Resolution File No. 160420.

Sincerely,

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

Enclosure

Cc: Alyssa Remington (w/encl)  
Jeremy McKenzie (w/encl)  
RACM Journal of Proceedings (Res 10631)





**FIRST AMENDMENT TO NORTH END PROJECT  
DEVELOPMENT AGREEMENT**

THIS FIRST AMENDMENT TO NORTH END PROJECT DEVELOPMENT AGREEMENT is made the 4<sup>th</sup> day of February, 2017, by and between the City of Milwaukee ("City"), the Redevelopment Authority of the City of Milwaukee ("RACM"), and USL Land LLC, ("USL").

**RECITALS**

The City and Developer acknowledge the following:

A. The City and the USL entered into the North End Project Development Agreement ("the Agreement") for the North End multi-phase redevelopment project dated November 1, 2007.

B. The City and USL desire to enter into this First Amendment to North End 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. 48, and to make certain other non-substantive changes to the Agreement.

D. The City has, via Resolution No. 160420 approved the First Amendment and authorized the proper City officers to execute same on the City's behalf.

D. RACM has, via Resolution No. 10631 approved the First Amendment and authorized the proper RACM officers to execute same on RACM's behalf.

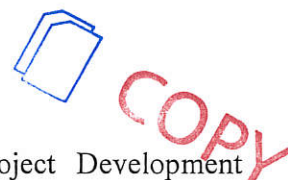
E. USL has approved the First Amendment and authorized execution of same on its behalf.

**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

**"City Investment"** means up to the amount of \$8,893,851, to be made available by City from Tax Incremental Bond Account No. TD 04880000, or such other sources as may be determined by City, in order to allow the City, RACM and USL to implement the Project in accordance with this Agreement. A maximum of \$8,093,851 will be made available for TID Funded Improvements and the balance is anticipated to be applied to pay for City administrative expenses and to fund the Job Training Program. References in this Agreement to City Investment



shall include the Initial City Investment and Subsequent City Investment. The City Investment excludes capitalized interest and/or any costs incurred by the City in obtaining such funds.

**“Public Infrastructure Budget”** means the overall budget for the Public Infrastructure for all phases of the Project, not to exceed \$8,093,851., including hard and soft costs, but excluding capitalized interest, TID administrative expenses and expenses related to the Job Training Program, approved by the Commissioner in accordance with this Agreement. A copy of the approved Public Infrastructure Budget is attached as EXHIBIT H.

**“Subsequent City Investment”** means up to \$6,458,942.

2. Exhibit H to the Agreement shall be deleted and replaced with Exhibit A to the First Amendment to reflect the modification of the budget.

3. Article VI(A) and (B) are hereby deleted and replaced with the following:

A. Initial City Investment. Directly fund City obligations hereunder and make funds available to RACM, for disbursement to USL in order to allow USL to commence the Project as provided herein in accordance with the provisions of Article VIII of this Agreement.

B. Subsequent City Investment. Make funds available to RACM, for disbursement to USL in order to allow USL to continue to implement the Project as provided herein in accordance with the provisions of Article IX of this Agreement.

4. Article VIII of the Agreement is hereby deleted and replaced with the following:

**VIII.**  
**INITIAL CITY INVESTMENT**

**8.1** The City shall make up to \$2,434,909 (the "Initial City Investment") of the City Investment available for costs of the Public Infrastructure (including the 34% of Preconstruction Site Work costs for the Project deemed to be attributed to the portion of the Project Site on which Public Amenities and City Utilities will be constructed) and for costs related to the design and construction of the City Utilities.

**8.2** A maximum of \$1,456,335 of the Initial City Investment shall be disbursed to USL through the Disbursement Agreement to be applied to the Preconstruction Site Work related to the portion of the Project Site on which the Public Amenities and City Utilities will be constructed. The balance of the Initial City Investment shall be available and may be applied to City expenditures related to the

design and construction of the City Utilities, for TID-48 administration and for the Job Training Program.

**8.3** 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.

5. Article IX of the Agreement is hereby deleted and replaced with the following:

**IX.**  
**SUBSEQUENT CITY INVESTMENT**

**9.1** Disbursement of the Subsequent City Investment shall be subject to future authorization by resolution of the Common Council of the City and shall be subject to USL providing to the Executive Director one or more Binding Redevelopment Commitments for each additional Phase, which evidence shall consist of the following:

- A. A design for the Project, or relevant Phase, which is consistent with the Park East Redevelopment Plan, and which shall be subject to the written approval of the Commissioner; and
- B. Evidence of financing for the construction of each such Phase; and
- C. Executed construction contracts for the construction of each such Phase; and
- D. An executed completion guaranty from USL, in a form agreed upon between USL, the City and RACM, for the construction of each such Phase.

**9.2** Each disbursement of the Subsequent City Investment shall be limited as follows:

- A. The amount of each disbursement of the Subsequent City Investment shall not exceed the amount that can be added to TID-48 while maintaining full projected amortization of the overall TID-48 funding for the Project by the end of 2019 (*i.e.*, the tax increments from the Project must fully amortize all Subsequent City Investments by 2019); and
- B. Amortization forecasts shall be made on an annual basis to determine the maximum disbursement amount for the calendar year in question, which forecasts shall be based upon the City Assessor's projections of stabilized incremental real property taxable value attributable to each new Binding Redevelopment Commitment provided by USL. As actual stabilized assessment data becomes available for new development at the Project Site, such data shall be used to replace any projected values used in amortization forecasts; and
- C. In any year, if replacement of projected assessed values with actual assessed values results in a finding that previously disbursed amounts will not amortize TID-48 by

the end of 2019, disbursement of the Subsequent City Investment may not occur and will be proportionately reduced by the shortfall until the assessed value of TID-48 once again reaches a level at which it is able to amortize all previously disbursed funds by the end of 2019; and

D. The Subsequent City Investment shall only be disbursed after Binding Redevelopment Commitments that will generate \$15,900,000 in incremental taxable real property have been approved.

9.3 The formula used in the foregoing paragraph 8.2 has been structured to balance TID-48. It is a conservative formula and assumes that only the Project and the Flatiron Condominium being built at the corner of North Jefferson and North Water Streets will be developed during the life of TID-48. If and when other projects within TID-48 are commenced and the projected tax increment payback to the City is more favorable than assumed in this formula, it is the intent of the parties to meet and confer in order to revise the formula.

9.4 Notwithstanding anything to the contrary in this Article VIII, with the written approval of the Commissioner, a Subsequent City Investment may be made at any time for expenditures related to Job Training (including additional funds for the Job Training Program), TID-48 administration and the design and construction of Public Amenities and City Utilities.

9.5 Notwithstanding anything to the contrary herein, following the delivery of Binding Redevelopment Commitments sufficient to support disbursement of the entire Subsequent City Investment, no further completion guaranty under sec. 8.1 D shall be required for subsequent Phases.

6. The City and RACM Notice addresses in Article XXIX 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

With a copy to:

City of Milwaukee  
City Attorney's Office  
200 East Wells Street, Suite 800

Attn: Executive Director/Secretary

Milwaukee, WI 53202  
Attn: Jeremy R. McKenzie

7. 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.

8. In the event of any conflict between the terms of the First Amendment and the terms of the North End Project Development Agreement, the terms of the First Amendment shall control.

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

**Signature Page Follows**

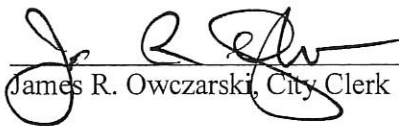
**City/RACM Signature Page  
First Amendment to  
North End Development Agreement**

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**

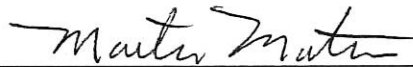


\_\_\_\_\_  
Tom Barrett, Mayor



\_\_\_\_\_  
James R. Owczarski, City Clerk

**COUNTERSIGNED:**

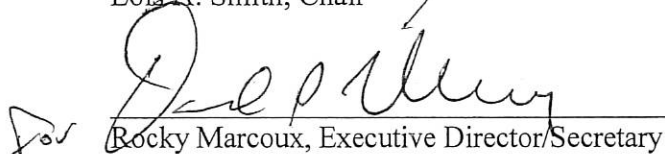


\_\_\_\_\_  
Martin Matson, Comptroller *mf*

**REDEVELOPMENT AUTHORITY  
OF THE CITY OF MILWAUKEE**



\_\_\_\_\_  
Lois A. Smith, Chair



*For* \_\_\_\_\_  
Rocky Marcoux, Executive Director/Secretary




**USL Signature Page  
First Amendment to  
North End Development Agreement**

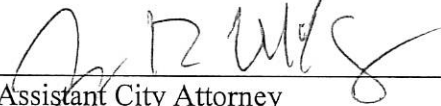
**IN WITNESS WHEREOF**, USL Land, LLC caused this Agreement to be executed and delivered as of the day and year first above written.

**USL LAND LLC**

By: Mandel/USL Land LLC  
Its: Manager

By:   
Barry R. Mandel  
Its: Manager

Approved as to form, content, and execution this  
4 day of February, 20167

  
Assistant City Attorney

North End Phase IV Infrastructure Budget

Description	Edison		Broadway		Broadway		Milwaukee		CSO		Water Street Streetscape	DPW	Design and Consultants	Total
	Dockwall	Dockwall	Dockwall	Riverwalk	Riverwalk	Street River Event	Relocation	Public ROW	Relocation					
Div 1 General Conditions	7,150	1,226	844	12,283	5,085	12,339	14,298	5,120	35,000	75,000	168,345			
Div 2 Earth Retention / Piling / Seawall	191,732	-	-	20,213	389,500	-	-	-	-	-	601,445			
Div 2 Excavations	5,356	394	473	18,390	1,768	-	19,456	9,996	-	-	55,833			
Div 2 Excavations - Dewatering	-	-	-	-	-	-	16,000	-	-	-	16,000			
Div 2 Site Improvements - CSO Layout	-	-	-	-	-	7,500	-	-	-	-	7,500			
Div 2 Site Improvements - Utilities	-	-	-	-	-	-	240,813	-	-	-	240,813			
Div 2 Site Improvements - Striping/Patch/Bike Racks	-	-	-	-	8,000	-	17,678	-	-	-	25,678			
Div 2 Site Improvements - Furnishings	-	-	-	23,756	12,000	-	-	20,990	-	-	35,756			
Div 2 Site Improvements - Landscaping	-	-	-	19,470	-	-	-	16,000	-	-	40,460			
Div 2 Site Improvements - Irrigation	-	-	-	26,000	-	-	-	-	-	-	42,000			
Div 3 Concrete Work	78,000	-	-	15,000	19,500	-	-	92,000	-	-	112,500			
Div 3 Site Concrete	-	-	2,000	52,800	8,572	-	178,785	-	-	-	334,157			
Div 5 Miscellaneous Metals	-	-	-	203,010	134,000	-	-	-	-	-	337,010			
Div 5 Miscellaneous Metals - Rail Glass	-	-	-	7,852	-	-	-	-	-	-	7,852			
Div 6 Carpentry	-	-	-	10,300	52,363	-	-	-	-	-	62,663			
Div 16 Electrical	15,927	2,062	-	41,607	21,555	-	-	12,190	-	-	93,341			
Subtotal	298,165	3,662	3,317	430,468	283,056	409,339	487,030	156,296	35,000	75,000	2,181,353			
Contractor's Fee	7,181	89	80	10,367	6,817	9,858	11,729	3,764	-	-	49,885			
Contractor Contingency	8,945	110	100	12,914	8,492	12,280	14,611	4,689	-	-	62,141			
Professional Liability Insurance	2,457	30	27	3,547	2,332	3,373	4,013	1,288	-	-	17,067			
Guarantee	2,630	32	29	3,797	2,496	3,610	4,295	1,378	-	-	18,267			
<b>Total</b>	<b>319,378</b>	<b>3,943</b>	<b>3,553</b>	<b>461,093</b>	<b>303,193</b>	<b>438,460</b>	<b>521,678</b>	<b>167,415</b>	<b>35,000</b>	<b>75,000</b>	<b>2,328,713</b>			
USL Land %	50%	0%	0%	30%	0%	100%	0%	0%	0%	0%	0%			
City of Milwaukee Percentage	50%	100%	100%	70%	100%	0%	100%	100%	100%	100%	100%			
USL Land	159,689	-	-	138,328	-	438,460	-	-	-	-	736,477			
City of Milwaukee	159,689	3,943	3,553	322,765	303,193	-	521,678	167,415	35,000	75,000	1,592,236			

City of Milwaukee  
NEPIV TIF Funds  
Variance