



Meeting Minutes

TRAVAUX INC. BOARD OF DIRECTORS

Antonio M. Perez, President, James A. Bohl, Jr., Grady L. Crosby, Daniel McCarthy, Mark Wagner, Eugene R. Guskowski, Ald. Khalif Rainey, Atty. Kimberly Hurtado, and Eugene Manzanet

Thursday, February 6, 2020

3:00 PM

Convent Hill Community Room,
455 E. Ogdan, 1st Floor

Call to Order

Meeting called to order at 3:00p.m.

Roll Call

Present: 7 - McCarthy, Wagner, Perez, Manzanet, Rainey, Crosby, Hurtado

Excused: 2 - Bohl, Guskowski

1. [T132](#) Approval of the minutes of the regular meeting held on December 13, 2019

Sponsors: THE CHAIR

Attachments: [Travaux Minutes 12-13-2019.pdf](#)

A motion was made by Dan McCarthy, seconded by ALD. RAINEY, that this Motion be APPROVED. This motion PREVAILED by the following vote:

Aye 7 - McCarthy Wagner Perez Manzanet Rainey Crosby Hurtado

No 0

Excused 2 - Bohl Guskowski

2. [T133](#) Resolution ratifying a contract with Hmong American Peace Academy Ltd. (HAPA) for Travaux Inc. to provide owners representation services for the HAPA main campus addition project in amount not to exceed \$255,000

Sponsors: THE CHAIR

Attachments: [HAPA Owner's Representation Agreement.pdf](#)

The Directors amended the title to say "ratifying" instead of the original "approving."

Scott Simon, Travaux's Vice President of Business Development, spoke on the Hmong American Peace Academy (HAPA) Owner's Representation Agreement. Mr. Simon explained that Travaux has worked for a number of years to help the HAPA

explore a desire to expand the existing High School and combine most of their facilities to one location. As part of the second phase, Travaux will act as the owner's representative on behalf of HAPA. Mr. Simon continued that the contract total is in the \$30 million range, and Travaux will charge 1% as their representative, a fair market fee for the service.

Kevin Theissen, Travaux Senior Project Manager, mentioned that Travaux is now fully engaged with the owner going through pre-construction items, with a schedule to break ground in April 2020. HAPA is ready to add a 100,000 square foot addition to their high school, which will double the size of the existing space.

Mr. Theissen informed the Board that Continuum Architects are the architects and the construction firm is Voss Jorgensen Construction Services (VJS).

The Directors discussed the importance of contracts being signed only after they are brought to them for approval. Staff agreed. Director McCarthy stated that form matters and the organization has to get to the point where we have correct form as well as correct intent and correct execution.

Several Directors asked questions about whether Travaux has considered quantifying contributions for services that it provides below market rate as part of the organization's mission. Several suggestions were made as to what could be tracked and how that information could be made use of.

The Directors reviewed the Owner's Agreement, asked questions about its creation, HACM's role as Owner's Representative, the current activities taking place and provided suggestions.

The Directors asked if VJS had begun putting out bids. Mr. Theissen explained that bids are expected to begin going out in March, after the construction documents are completed.

There was discussion about MBE/EBE, Resident Preference Program (RPP) and Section 3 employment goals, both for the HAPA project specifically and for future Travaux projects. Regarding HAPA, Travaux staff have spoken to HAPA and know HAPA wants to ensure EBE participation, but nothing has been formalized. The Directors encouraged Travaux staff to convene with HAPA and VJS to establish a formal RPP/EBE goal for the project. Staff said they will update the Board on minority participation on the HAPA project. For future Travaux projects, the Directors suggested that staff create a policy outlining the goals of such efforts, keeping in mind both aspirational social impact and entrepreneurial flexibility, and how the policies could be incorporated into RFP documents and contracts. Staff said they will draft materials to present to the board within three months.

Mr. Theissen emphasized that Travaux will have an update at the April Board meeting of the bid process and will also make sure that VJS has a plan in place in regards to minority participation.

A motion was made by Grady Crosby, seconded by Eugene Manzanet, that this Travaux Resolution be AMENDED. This motion PREVAILED by the following vote:

Aye 7 - McCarthy Wagner Perez Manzanet Rainey Crosby Hurtado

No 0

Excused 2 - Bohl Guskowski

As amended.

A motion was made by Grady Crosby, seconded by Eugene Manzanet, that this Travaux Resolution be ADOPTED This motion PREVAILED by the following vote:

Aye 7 - McCarthy Wagner Perez Manzanet Rainey Crosby Hurtado

No 0

Excused 2 - Bohl Guskowski

3. [T134](#)

Resolution approving Travaux's purchase of 1.4 acres of vacant land at the former Convent Hill development (1325 N Jefferson St.) at the fair market value of \$1,885,000 from the Housing Authority of the City of Milwaukee subject to HUD's approval

Sponsors: THE CHAIR

Bobbi Marsells, HACM's Assistant Secretary, spoke on the purchase by Travaux of 1.4 acres of vacant land at the former Convent Hill development (1325 N Jefferson St) in the amount of \$1,885,000. Director Wagner explained that HACM split the parcels in order to allow for more flexibility in the use of the parcels. Ms. Marsells assured the Board that she does not see a problem from the U.S. Department of Housing and Urban Development's (HUD) perspective in regards to the purchase. The parcel is being sold at fair market value, and the independent third party appraiser also provided its April 2019 information to HUD.

A motion was made by Dan McCarthy, seconded by ALD. RAINEY, that this Travaux Resolution be ADOPTED. This motion PREVAILED by the following vote:

Aye 7 - McCarthy Wagner Perez Manzanet Rainey Crosby Hurtado

No 0

Excused 2 - Bohl Guskowski

4. [T135](#)

Resolution approving a contract with Becher Court LLC to be the Construction manager at Risk/Constructor for Becher Court project in an amount not-to-exceed \$6.9 million

Sponsors: THE CHAIR

Attachments: [Becher Court GC Contract - Project Narrative.pdf](#)
[Becher Court G703 01-24-2020.pdf](#)
[Becher Court Forecast 1-6-20 \(Exhibit to LOI\).pdf](#)
[Becher Court and Travaux GC Contract - Draft.docx](#)
[REVISED Becher Court and Travaux GC Contract - Draft - Flores Email re Changes.pdf](#)
[REVISED Becher Court and Travaux GC Contract - Draft 02-20-2020.pdf](#)

Paul Thornton, Travaux's Project Manager, stated that Becher Court has 120 units in six stories. With the RAD conversions, Travaux will modify 24 units to be fully accessible ADA compliant. The remaining 96 will receive general updates such as flooring and cabinets. The building as a whole will get a new roof, common spaces and painting.

Director McCarthy thanked the staff for providing the Uses statement and asked about the acquisition line .01% for tax credit purposes. President Pérez stated that it is the same scenario as Highland Park.

Director Hurtado noted that the Construction Management Agreement had Travaux taking no fees. Mr. Simon stated that the Agreement was incorrect. Mr. Theissen asked the Board for another opportunity to look at contract. Mr. Simon asked the item be held for next month Board meeting.

Director Hurtado made a motion to table item until the Construction Management Agreement fees, line 5.1.1 are fee is sorted out and if a special meeting is necessary or conference call needed, so be it. Director Crosby seconded. All agreed.

This Travaux Resolution was HELD IN COMMISSION

5. [T136](#)

Resolution approving a unanimous written consent action of the Board of Directors of Travaux, Inc.

Sponsors: THE CHAIR

Attachments: [Consent Resolution Board Consent - Travaux Inc -- 27249756 v1.docx](#)
[Second Amendment-Operating Agreement-Highland Park Comm LLC-Pk2.pdf](#)

Fernando Aniban, HACM Chief Financial Officer explained that Highland Park LLC is coming to the end of its tax credits, purchased by US Bancorp 15 years ago when Highland was placed in service. US Bancorp will sell its interest to Travaux for \$1.00 in addition to \$5,000.00 in legal fees. Mr. Aniban stated that this will allow Highland Park to remain as an LLC and maintain the commitment of affordable housing.

In answer to Director Manzanet's question, Mr. Aniban confirmed that the structure can remain the same with the substitution changing from a profit to non-profit partner. Mr. Aniban explained that the membership structure will likely remain in place three years, as HACM will likely pursue future tax credit deals, and if successful, would require Travaux to exit.

Director Manzanet asked whether it would be a positive or negative impact on Travaux. Mr. Aniban responded that while Travaux losses are going to occur, Travaux only holds a .01% interest so it would be minimal. Director Manzanet asked Mr. Aniban to provide what that number or variable will be as far as a loss, to better understand what the Board will be going into. Mr. Aniban explained that the withdrawing investor member is US Bancorp. Director Wagner added HACM signed off on the resolution at the HACM board meeting February 5, 2020. Mr. Aniban added that Travaux bought its portion for \$1.00, plus legal fees.

A motion was made by ALD. RAINEY, seconded by Dan McCarthy, that this Travaux Resolution be ADOPTED. This motion PREVAILED by the following vote:

Aye 5 - McCarthy Perez Rainey Crosby Hurtado

No 0

Excused 2 - Bohl Guskowski

Abstain 2 - Wagner Manzanet

6. [T137](#) Report from the President

Sponsors: THE CHAIR

President Pérez stated for the March meeting, he is asking for an update to be given on work under Rental Assistance Demonstration (RAD) and the work being generated at Westlawn Gardens, especially the infrastructure work and MBE/EBE participation. Mr. Pérez also asked the Travaux staff for an updated forecasting schedule for work 12 months from now.

Adjournment

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