



# 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, Tobie Black, (414)-286-2231*

*Fax: (414) 286-3456, E-mail: [tblack@milwaukee.gov](mailto:tblack@milwaukee.gov)*

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Tuesday, February 23, 2010

9:00 AM

Room 301-B, City Hall

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### AMENDED 2/22/10

1. [091199](#) Communication from the Departments of City Development and Public Works relating to amendments - certain street paving projects - to project plans for tax incremental districts likely to be closed out in 2011 or 2012.  
**Sponsors:** Ald. Bohl
  
2. [091152](#) Substitute resolution approving Amendment No. 1 to the Project Plan and authorizing expenditures for Tax Incremental District No. 34, Third Ward Riverwalk, in the 4th Aldermanic District.  
**Sponsors:** THE CHAIR
  
3. [091372](#) Resolution temporarily suspending razing and demolition activities funded by NSP Phase 1 and 2 until the Department of Neighborhood Services has made modifications in bidding requirements allowing for deconstruction activities.  
**Sponsors:** Ald. Bauman and Ald. Bohl
  
4. [091245](#) Resolution permitting a minor modification to a Detailed Planned Development known as Plymouth Hill to extend a family daycare hours of operation, on lands located South of West Walnut Street and West of North 7th Street, in the 6th Aldermanic District.  
**Sponsors:** THE CHAIR
  
5. [091157](#) A substitute ordinance relating to a change in zoning from Two-Family Residential to Industrial-Office, for parking lot expansion, on land located South of West National Avenue and East of South 22nd Street, in the 8th Aldermanic District.  
**Sponsors:** THE CHAIR
  
6. [091059](#) A substitute ordinance relating to a change in zoning from Two-Family Residential to Local Business on lands located East of South Cesar E. Chavez Drive and North of West Mineral Street, for parking lot expansion, in the 12th Aldermanic District.  
**Sponsors:** Ald. Witkowiak

7. [090879](#) Substitute resolution approving a Second Restated Agreement for Purchase and Sale of the surplus City-owned property at 4701-5001 South Pennsylvania Avenue in the City of Cudahy between the City of Milwaukee and Cobalt Partners, LLC.
- Sponsors:** Ald. Witkowski

9:15 A.M.

8. [091406](#) Resolution facilitating the third phase of housing development by United Methodist Children's Services of Wisconsin, Inc. in the vicinity of 38th and Lisbon by approving the blight designation and acquisition of seven City-owned vacant lots by the Redevelopment Authority and authorizing conveyance of these lots and properties owned or being acquired by the Redevelopment Authority to the Redeveloper, in the 15th Aldermanic District.
- Sponsors:** Ald. Hines Jr.
9. [091366](#) Resolution accepting the proposal submitted by Earnest Pruitt, doing business as Pruco Services, LLC, to purchase the City-owned, tax-deed property at 3600-02 West Lisbon Avenue, in the 15th Aldermanic District.
- Sponsors:** Ald. Hines Jr.
10. [091358](#) Substitute resolution relating to the allocation of funds from the Housing Trust Fund.
- Sponsors:** THE CHAIR
11. [091248](#) Substitute resolution authorizing an expenditure and approving a Grant Agreement with the Redevelopment Authority of the City of Milwaukee for Tax Incremental District No. 71, Mitchell Street/551 West Historic Mitchell Street Project, in the 12th Aldermanic District.
- Sponsors:** Ald. Witkowiak
12. [091405](#) Resolution authorizing the transfer and expenditure of funds from the Capital Improvements-Housing Infrastructure Preservation Fund for repairs to City-owned properties to preserve the structures and to improve marketability and feasibility.
- Sponsors:** Ald. Bauman
13. [091367](#) Substitute resolution approving Amendment No. 1 to the Cooperation, Contribution and Redevelopment Agreement for Tax Incremental District No. 49, Cathedral Place, in the 4th Aldermanic District.
- Sponsors:** THE CHAIR

**This meeting will be webcast live at [www.milwaukee.gov/channel25](http://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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Legislation Details (With Text)

**File #:** 091199      **Version:** 0

**Type:** Communication      **Status:** In Committee

**File created:** 12/22/2009      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** Communication from the Departments of City Development and Public Works relating to amendments - certain street paving projects - to project plans for tax incremental districts likely to be closed out in 2011 or 2012.

**Sponsors:** ALD. BOHL

**Indexes:** DEPARTMENT OF CITY DEVELOPMENT, REPORTS AND STUDIES, TAX INCREMENTAL DISTRICTS

**Attachments:** Map, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
12/22/2009	0	COMMON COUNCIL	ASSIGNED TO		
1/7/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/7/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/7/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/12/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
1/27/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/2/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

**Number**

091199

**Version**

ORIGINAL

**Reference**

090706

**Sponsor**

ALD. BOHL

**Title**

Communication from the Departments of City Development and Public Works relating to amendments - certain street paving projects - to project plans for tax incremental districts likely to be closed out in 2011 or 2012.

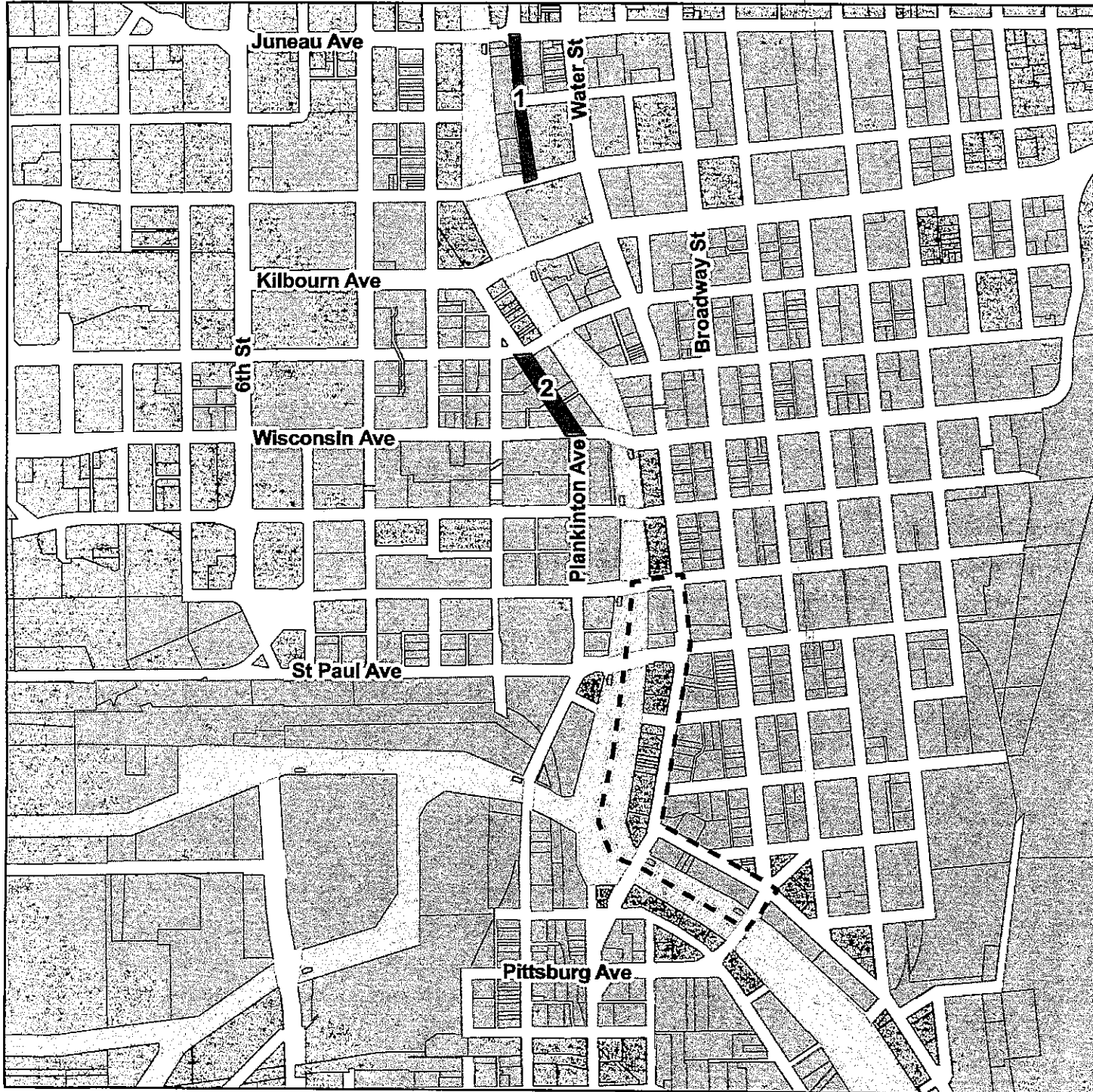
**Drafter**


LRB09506-1

BJZ/lp

12/22/2009

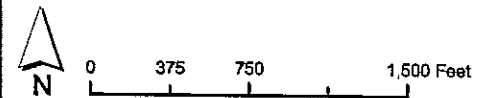
# Map 3a



 TID 34 Boundary

 Street Segments

1. Edison St (between Juneau & State)
2. Plankinton St (between Wisconsin & Wells)



Data Source: Department of City Development.AT  
Map File: F:\Project\TID08\TID 34\td34.mxd





Legislation Details (With Text)

**File #:** 091152      **Version:** 1

**Type:** Resolution      **Status:** In Committee

**File created:** 12/22/2009      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** Substitute resolution approving Amendment No. 1 to the Project Plan and authorizing expenditures for Tax Incremental District No. 34, Third Ward Riverwalk, in the 4th Aldermanic District.

**Sponsors:** THE CHAIR

**Indexes:** RIVERWALKS, TAX INCREMENTAL DISTRICTS, TAX INCREMENTAL FINANCING

**Attachments:** Department of City Development Cover Letter.pdf, Amendment to the Project Plan.pdf, Fiscal Note, Fiscal Analysis, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
12/22/2009	0	COMMON COUNCIL	ASSIGNED TO		
1/27/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/27/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/28/2010	1	CITY CLERK	DRAFT SUBMITTED		
2/2/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
2/17/2010	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		



Number  
091152  
Version  
SUBSTITUTE 1

Reference  
970388

Sponsor  
THE CHAIR

Title

Substitute resolution approving Amendment No. 1 to the Project Plan and authorizing expenditures for Tax Incremental District No. 34, Third Ward Riverwalk, in the 4th Aldermanic District.

Analysis

The Common Council created Tax Incremental District No. 34 in 1997 for the purpose of facilitating the extension of the City's riverwalk system along the east bank of the Milwaukee River between East Clybourn Street on the north and the intersection of East Pittsburgh Avenue and North Broadway on the south.

TID No. 34 has incurred or is expected to incur project costs of \$6,839,531, for riverwalk-related improvements, interest expenses (including future interest expenses) and administration costs. The District has received incremental tax revenue in the amount of \$8,869,670.

Amendment No. 1 to the Project Plan for TID No. 34 will provide funding for the paving of two street segments located outside, but within one-half mile of, the District boundary, specifically: North Plankinton Avenue between West Wisconsin Avenue and West Wells Street and North Edison Street between East State Street and East Juneau Avenue.

The estimated total cost of this paving work is \$395,000. Following implementation of this work, anticipated for 2010-2011, the District will be closed out.

Body

Whereas, The Common Council of the City of Milwaukee ("Common Council") on September 23, 1997, adopted File No. 970388 approving a Project Plan and creating Tax Incremental District No. 34, Third Ward Riverwalk ("District"); and

Whereas, Pursuant to Section 66.1105(4)(h)(1), Wisconsin Statutes, on January 21, 2010, the Redevelopment Authority of the City of Milwaukee conducted a public hearing on Amendment No. 1 to the Project Plan for the District ("Amendment"), approved such Amendment by resolution and submitted such Amendment, a copy of which is attached to this Common Council File, to the Common Council for its approval; and

Whereas, Section 66.1105(4)(g) and (h)(1), Wisconsin Statutes, provides that an amendment to a Project Plan shall be approved by the Common Council with the adoption of a resolution, which contains findings that such amendment is feasible and in conformity with the Master Plan of the City of Milwaukee ("City"); now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that it finds and determines as follows:

1. The Amendment retains the existing boundaries of the District and does not alter the number of properties within the District. Therefore, the findings made in File No. 970388, pursuant to Section 66.1105(4)(gm)1 and 4, Wisconsin Statutes, are unchanged.
2. The Amendment revises the project costs to be supported by the District and revises the forecast of District Cash Flow and District Breakeven Analysis that is part of the Project Plan and makes related changes regarding the timing of project costs and methods of financing.
3. Project costs provided in the Amendment relate directly to promoting development consistent with the City's Master Plan and with the purpose(s) for which the District was

created under Section 66.1105(4) (gm) 4a, Wisconsin Statutes.

4. The percentage of the aggregate value of the equalized taxable property of the District plus the incremental value of all other existing Tax Incremental Districts does not exceed the statutory maximum 12 percent of the aggregate value of total equalized value of taxable property within the City; and, be it

Further Resolved, That the Amendment is approved and the Project Plan for said District, as amended, is feasible, in conformity with the Master Plan for the City and will promote the orderly development of the City; and, be it

Further Resolved, That:

1. The City Clerk is directed to notify the Wisconsin Department of Revenue in such form as may be prescribed by said Department of the approval of this Amendment pursuant to the provisions of Section 66.1105(5), Wisconsin Statutes.

2. The City Comptroller is directed to transfer excess tax increment revenue in the amount of \$395,000 to Project Account No. TD03480000, for the purpose of providing funds necessary to implement the Amendment.

3. The City Comptroller, in conjunction with the Commissioner of the Department of City Development, is directed to perform such acts and to create such accounts and subaccounts and make appropriate transfers upon written request by the Department of City Development for all revenue or expenditure activity under this resolution.

Drafter

DCD:JS:js

01/27/10



**Department of City Development**

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

**Rocky Marcoux**  
Commissioner

**Martha L. Brown**  
Deputy Commissioner

December 14, 2009

To The Honorable  
Common Council of the City of Milwaukee  
Milwaukee, WI 53202

Dear Members of the Common Council:

The Department of City Development respectfully requests introduction of the attached title only resolution, which was prepared in response to a directive contained in Common Council File No. 090706--resolution directing the Commissioner of City Development to prepare amendments to project plans for tax incremental districts likely to be closed out in 2011 or 2012.

Your consideration of this request is appreciated.

Sincerely,

Rocky Marcoux  
Commissioner

Attachment

c: Ald. Hines, President, Common Council  
Ald. Witkowiak, Chair, ZND Committee  
Ald. Bauman  
Ald. Bohl

**AMENDMENT NO. 1**

**PROJECT PLAN FOR TAX INCREMENTAL FINANCING DISTRICT NO.  
34  
(THIRD WARD RIVERWALK PROJECT)**

**CITY OF MILWAUKEE**

**Public Hearing Held: January 21, 2010**

**Redevelopment Authority Adopted : January 21, 2010**

**Common Council Adopted:**

**Joint Review Board Adopted:**

**AMENDMENT NO. 1 to the PROJECT PLAN for  
TAX INCREMENTAL FINANCING DISTRICT NUMBER 34  
CITY OF MILWAUKEE  
(Historic Third Ward Riverwalk Project)**

**Introduction**

Section 66.1105 (4)(h)(1), Wisconsin Statutes, permits the Redevelopment Authority, subject to the approval of the Common Council, to amend the project plan for a tax incremental financing district.

The City of Milwaukee created Tax Incremental District Number 34 in 1997 for the purpose of facilitating the extension of City's riverwalk along the east bank of the Milwaukee river between E. Clybourn St. on the north and the intersection of E. Pittsburgh Ave. and N. Broadway on the south.

To date \$ 6.8 million of project costs have been incurred, including interest on debt and associated carrying charges, and approximately \$8.8 million of incremental revenue has been generated in the TID.

In summary, Amendment No. 1 to the Project Plan will provide \$395,000 for the purposes of paving two street segments located within one-half mile outside of the current TID boundary. These segments are:

- N. Plankinton Ave. between W. Wisconsin Ave. and W. Wells Street;
- N. Edison St. between E. State Street and E. Juneau Street.

**Amendments to the Project Plan:**

The following amendments are made to the Project Plan.

**II. PLAN PROPOSALS**

**Section II (B)(1)(a) is amended by adding the following:**

- “ 4. N. Plankinton Ave. between W. Wisconsin Ave. and W. Wells Street;
- 5. N. Edison St. between E. State Street and E. Juneau Street.”

**Section II (B)(1)(b) is amended by adding the following:**

- “6. N. Plankinton Ave. between W. Wisconsin Ave. and W. Wells Street: \$250,000
- 7. N. Edison St. between E. State Street and E. Juneau Street: \$145,000

Table A in Section II(B)(2) is restated as follows:

**Table A**  
**List of Estimated Project Costs**

Riverwalk Improvements	1,542,096
Grants / Loans to BID #2 for Riverwalk segments	3,198,607
Contingency	0
Capitalized Interest	357,383
Administration	281,767
<b>Current Total Project Costs Exc. Financing</b>	<b>5,379,853</b>
Financing Costs, Net of Earnings	<b>1,459,678</b>
<b>Total Including Financing Costs</b>	<b>6,839,531</b>
<b>Proposed Paving Projects</b>	<b>395,000</b>
<b>Est. Total Project Costs</b>	<b>7,234,531</b>

Schedule A of Section II (B) (3) (a) “Description of Timing and Methods of Financing” is deleted and restated, as follows:

**Schedule A**  
**Estimated Timing of Project Costs ( Excl. Financing)**

<b><u>Year</u></b>	<b><u>Estimated Project Costs</u></b>	<b><u>Cumulative Total</u></b>
1997-2009	5,379,853	5,379,853
2010-13	395,000	5,774,853

**Sub-Section 4, “Economic Feasibility Study” is amended by adding the following:**

“4. Economic Feasibility Study

Please see forecast of District Cash Flow and District Breakeven analysis, attached. Based on the forecast, following the expenditure of the additional funds for street paving, the District is expected to close-out in 2010. “

**Sub-Section 6, “Map Showing Proposed Improvements and Uses:” Map 3 is amended by adding the attached map identifying the proposed paving projects.**

## **ATTACHMENTS**

Map 3: Proposed Improvements

District Cash Flow forecast / Breakeven analysis

# Map 3a

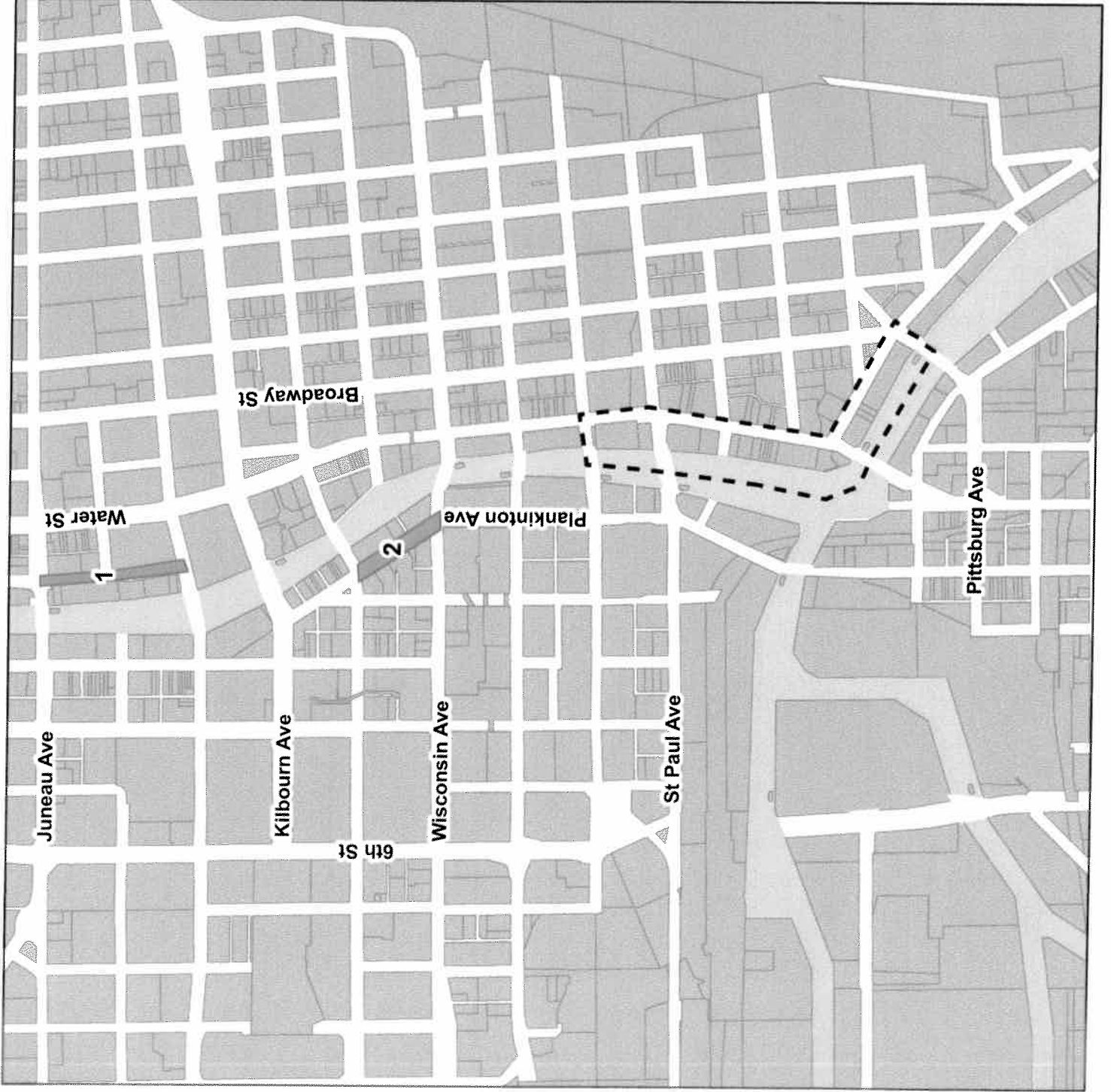


TID 34 Boundary



Street Segments

1. Edison St (between Juneau & State)
2. Plankinton St (between Wisconsin & Wells)



Data Source: Department of City Development/AT  
Map File: F:\Projects\TID09\TID\_34\td34.mxd



TID 34 - Historic 3rd Ward Riverwalk  
Break-even Estimate

	Third Ward Riverwalk TID-34
Lifetime-to-date expenditures	4,876,441
Add:	
Remaining appropriation	503,413
G.O.B. lifetime-to-date interest	1,179,246
Add scheduled bond interest costs-	
G.O.B. interest - 2010 to maturity	648,249
G.O.B. interest - estimated future borrowing	
Cumulative City of Milwaukee carrying costs/ (earnings) on yearly deficit or surplus	(402,476)
<b>Total project costs</b>	<b>6,804,873</b>
Project revenues	-
Difference between proceeds and principal debt service payments	34,659
Net project costs/amount to be recovered through tax increments	6,839,532
Tax increments required	
Amounts levied:	
1998	13,290
1999	279,135
2000	437,701
2001	477,456
2002	551,315
2003	568,479
2004	618,268
2005	676,742
2006	688,470
2007	907,353
2008	1,804,791
2009	1,846,670
<b>Total tax increments levied at December 31, 2009</b>	<b>8,869,670</b>
Current Deficit (Surplus)	(2,030,138)
Proposed Paving Projects	395,000
<b>Net Deficit ( Surplus) 2010</b>	<b>(1,635,138)</b>

# CITY OF MILWAUKEE FISCAL NOTE

A) **DATE** 01/27/10

**FILE NUMBER:** 091152

Original Fiscal Note  Substitute

**SUBJECT:** Substitute resolution approving Amendment No. 1 to the Project Plan and authorizing expenditures for Tax Incremental District No. 34, Third Ward Riverwalk, 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
<b>SALARIES/WAGES:</b>					
<b>SUPPLIES:</b>					
<b>MATERIALS:</b>					
<b>NEW EQUIPMENT:</b>					
<b>EQUIPMENT REPAIR:</b>					
<b>OTHER:</b>	TID Capital Expenditures/Paving	TD03480000	\$395,000		
<b>TOTALS</b>			\$395,000		

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:**

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H) **COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:**

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PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

**LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS**

**ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE**

**FEBRUARY 23, 2010**

**Item 2, File #091152**

File Number 091152 is a resolution approving Amendment No. 1 to the Project Plan for Tax Incremental District No. 34 (Third Ward Riverwalk) to provide funding for 2 street-paving projects located within one-half mile of the District's boundary.

**Background**

1. On September 23, 1997, the Common Council adopted File No. 970388, a resolution creating Tax Incremental District No. 34 (Third Ward Riverwalk) and approving its Project Plan. This TID was created for the purpose of funding the extension of the City's Rivewalk system from Clybourn Street to Broadway.
2. Section 66.1105(4)(b)(1) of the Wisconsin Statutes permits a redevelopment authority, subject to the approval of the legislative body (e.g., common council), to amend the project plan for a tax incremental district.
3. Section 66.1105(2)(f), Wis. Stats., allows for tax incremental financing to be used to fund the costs of public works or improvements outside a tax incremental district but within one-half mile of the district's boundaries.
4. Common Council File No. 090706, adopted October 13, 2009, directed the Commissioner of City Development to prepare amendments, for TIDs likely to be closed out in 2011 or 2012, to include as project plan elements and project costs all street-paving projects anticipated to occur within the districts or within one-half mile of district boundaries in 2011-2016. In response, the Commissioner identified 2 street-paving projects located within one-half mile of TID No. 34 and prepared an amendment – Amendment No. 1 – to the Project Plan for TID No. 34.

**Discussion**

1. This resolution approves Amendment No. 1 to the Project Plan for Tax Incremental District No. 34. The Amendment adds the paving of the following street segments, at an estimated cost of \$395,000, to the Project Plan:
  - N. Plankinton Avenue between W. Wisconsin Avenue and W. Wells Street
  - N. Edison Street between E. State Street and E. Juneau Avenue
2. Currently, TID No. 34's net project costs to be recovered through tax incremental revenues total \$6,839,531. Total tax increments levied as of December 31, 2009, were \$8,869,670. Therefore, the District is eligible to be closed out in 2010. The addition of the \$395,000 for the 2 street-paving projects, which are anticipated to occur in 2010 or 2011, will not significantly delay the closing-out of the TID and will still leave a net surplus of over \$1.6 million.

**Fiscal Impact**

This resolution approves tax incremental district capital expenditures of \$395,000 for street-paving projects within one-half mile of the boundary of Tax Incremental District No. 34. As mentioned above, these additional project costs will not significantly impact the timely closing-out of the District or the surplus the District has achieved to date.

Prepared by: Jeff Osterman, X2262  
LRB-Research & Analysis Section  
February 18, 2010

cc: Rocky Marcoux  
Martha Brown  
Jim Scherer  
Joe' Mar Hooper





## Legislation Details (With Text)

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**File #:** 091372      **Version:** 0

**Type:** Resolution      **Status:** In Committee

**File created:** 2/9/2010      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** Resolution temporarily suspending razing and demolition activities funded by NSP Phase 1 and 2 until the Department of Neighborhood Services has made modifications in bidding requirements allowing for deconstruction activities.

**Sponsors:** ALD. BAUMAN, ALD. BOHL

**Indexes:** AMERICAN RECOVERY AND REINVESTMENT ACT, RECYCLING, SOLID WASTE DISPOSAL

**Attachments:** Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
2/9/2010	0	COMMON COUNCIL	ASSIGNED TO	Pass	13:2
2/9/2010	0	CITY CLERK	Sponsor added		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

**Number**

091372

**Version**

ORIGINAL

**Reference**

**Sponsor**

ALD. BAUMAN and ALD. BOHL

**Title**

Resolution temporarily suspending razing and demolition activities funded by NSP Phase 1 and 2 until the Department of Neighborhood Services has made modifications in bidding requirements allowing for deconstruction activities.

**Analysis**

This resolution temporarily suspends razing and demolition activities which are funded by NSP Phase 1 and 2, until the Department of Neighborhood Services has developed a pilot program for building recycling (deconstruction) that would be funded by the NSP Phase 1 and 2 demolition funds. Included in these modifications are bonding and insurance requirements as well as any other provisions which impede or discourage deconstruction activities. Two exceptions are made to the temporary suspension: executed contracts where the city has sent the contractor a notice to proceed, and demolition necessitated by emergency circumstances.

**Body**

Whereas, The City of Milwaukee has received \$1,312,500 for demolition of foreclosed homes and blighted properties in target areas through the Housing and Economic Recovery Act of 2009, known as NSP Phase 1 funds; and

Whereas, A portion of the NSP Phase 1 home demolition money was ear-marked for deconstruction activities; and

Whereas, No deconstruction activities have taken place due to the bidding requirements, including bonding and insurance, of the City's Department of Neighborhood Services; and

Whereas, An additional \$2,012,000 has been awarded to the City for demolition as part of the National Economic Stimulus Package, known as NSP Phase 2; and

Whereas, These additional funds offer further opportunities for deconstruction projects; and

Whereas, Deconstruction projects allow for reclamation and recycling of building materials as opposed to adding to land fill, as well as creating job training opportunities; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee that razing and demolition activities, funded by NSP Phase 1 and 2, be temporarily suspended until the Department of Neighborhood Services has developed a pilot program for building recycling (deconstruction) that would be funded by the NSP Phase 1 and 2 demolition funds; and, be it

Further Resolved, That razing and demolition activities, funded by NSP Phase 1 and 2, shall not be resumed until the Department of Neighborhood Services submits its pilot program for building recycling (deconstruction) to the Common Council for review and approval; and, be it

Further Resolved, That two exceptions are made to the temporary suspension: executed contracts

where the city has sent the contractor a notice to proceed, and demolition necessitated by emergency circumstances.

**Requestor**

**Drafter**

LRB10055-1

MET

2/3/10







Legislation Details (With Text)

**File #:** 091245      **Version:** 0

**Type:** Resolution      **Status:** In Committee

**File created:** 1/20/2010      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** Resolution permitting a minor modification to a Detailed Planned Development known as Plymouth Hill to extend a family daycare hours of operation, on lands located South of West Walnut Street and West of North 7th Street, in the 6th Aldermanic District.

**Sponsors:** THE CHAIR

**Indexes:** DAY CARE CENTERS, PLANNED UNIT DEVELOPMENTS, ZONING, ZONING DISTRICT 06

**Attachments:** Exhibit A, City Plan Commission Letter, Affidavit for Zoning Change, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
1/20/2010	0	COMMON COUNCIL	ASSIGNED TO		
1/22/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

**Number**

091245

**Version**

ORIGINAL

**Reference**

63-211, 63-212, 63-213

**Sponsor**

THE CHAIR

**Title**

Resolution permitting a minor modification to a Detailed Planned Development known as Plymouth Hill to extend a family daycare hours of operation, on lands located South of West Walnut Street and West of North 7th Street, in the 6th Aldermanic District.

**Analysis**

This minor modification was requested by Terri Young, the owner and occupant of a residence at 1624 North Mayflower Court, and will allow for an increase in hours of operation for a family daycare home to 24 hours per day. The existing family daycare home, Faith, Hope & Love Child Development Center, currently operates Monday through Saturday from 6:00 am to Midnight.

**Body**

Whereas, Section 295-907-3(i) of the Milwaukee Code of Ordinances permits variation to planned developments after approval of the Common Council; and

Whereas, The detailed plan for a planned development known as Plymouth Hill was approved by the Common Council of the City of Milwaukee on June 25, 1963, under File Nos. 63-211, 63-212 and 63-213; and

Whereas, A family daycare home occupied by the owner for operation 24 hours per day is consistent with the spirit and intent of the approved plan and will not adversely affect surrounding development and 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; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that a family daycare home at 1624 North Mayflower Court, occupied by the owner as her place of residence for operation 24 hours per day, is approved.

**Drafter**

DCD:AJF:ajf

01/20/10/A

Faith, Hope & Love Child Development Center  
1624 N. Mayflower Court  
Milwaukee, Wisconsin 53205-2265  
Home: (414) 265-4192 Cell: (414) 899-1714  
E-mail:

Al Frantza  
Principal Planner,  
Department of City Development,  
Planning Administration  
809 North Broadway  
Milwaukee, Wisconsin 53202-3617

December 21, 2009

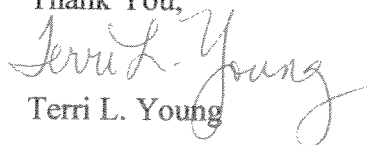
Re: Minor Modification Narrative:

Dear Sir,

Faith, Hope & Love Child Development Center current day care operations are as follows: Faith, Hope and Love Child Development Learning Center is licensed by the State of Wisconsin, Department of Health and Family Services. I am licensed to care for no more that (8) children at any one time per shift. I am inspected regularly to insure that I meet licensing standards. Faith, Hope and Love Child Development Center hours of operation are Monday- Saturday 6:00am until 12:00am and holiday hours may vary. There are currently (3) three employees including myself. The nature of my request under the minor modification is to increase the center's hours to 24 hours per day.

Please notify me by phone if there are any additional questions concerning this matter.

Thank You,

  
Terri L. Young

February 15, 2010

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

Dear Committee Members:

File No. 091245 permits a minor modification to a Detailed Planned Development, known as Plymouth Hill, on lands located South of West Walnut Street and West of North 7th Street in the 6th Aldermanic District.

This minor modification is requested by Terri Young, the owner and occupant of a residence at 1624 North Mayflower Court and will allow for an increase in hours of operation for a family day care home to 24 hours per day. The existing family daycare home, Faith, Hope & Love Child Development Center, currently operates Monday through Saturday from 6:00 am to Midnight.

Since the proposed change is consistent with the current use of the site, the City Plan Commission at its regular meeting on February 15, 2010 recommended approval of the subject file.

Sincerely,

Rocky Marcoux  
Executive Secretary  
City Plan Commission of Milwaukee

cc: Ald. Milele Coggs

Address of parcel(s): 1624 N. Mayflower Ct.

**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 Milwaukee, Wisconsin, this 21<sup>st</sup> day of December 20 09

Terril L. Young  
Petitioner (signature)  
Terril L. Young  
(print name, relationship to project)

Subscribed and sworn to before me

This 21<sup>st</sup> day of December 20 09

Cori A. Puatzi [Signature]

Notary Public, State of Wisconsin

My commission expires: 9-11-11

Office Use Only: File no. 091245





## Legislation Details (With Text)

**File #:** 091157      **Version:** 1

**Type:** Ordinance      **Status:** In Committee

**File created:** 12/22/2009      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** A substitute ordinance relating to a change in zoning from Two-Family Residential to Industrial-Office, for parking lot expansion, on land located South of West National Avenue and East of South 22nd Street, in the 8th Aldermanic District.

**Sponsors:** THE CHAIR

**Indexes:** PARKING LOTS, ZONING, ZONING DISTRICT 08

**Attachments:** City Plan Commission Letter, Proposed Zoning Change Map, Opposed-Revers-Crossman, Affidavit for Zoning Change, Notice Published on 2-8-10 and 2-15-10

Date	Ver.	Action By	Action	Result	Tally
12/22/2009	0	COMMON COUNCIL	ASSIGNED TO		
1/4/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
2/2/2010	1	CITY CLERK	DRAFT SUBMITTED		
2/8/2010	1	CITY CLERK	PUBLISHED		
2/17/2010	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		



Number  
091157  
Version  
SUBSTITUTE 1  
Reference

Sponsor  
THE CHAIR

Title

A substitute ordinance relating to a change in zoning from Two-Family Residential to Industrial-Office, for parking lot expansion, on land located South of West National Avenue and East of South 22nd Street, in the 8th Aldermanic District.

Analysis

This zoning change was initiated by the owner, David Samuel, to allow for the expansion of the surface parking lot adjacent to the north.

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 295-801.1.0003. The zoning map is amended to change the zoning for the South 30 feet of Lot 7, in Block 16, of Clark's Addition, in the Southwest 1/4 Section of Section 31, Township 7 North, Range 22 East, from Two-Family Residential (RT4) to Industrial-Office (IO2).

Drafter

DCD:AJF:ajf

02/01/10

January 25, 2010

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

Dear Committee Members:

File No. 091157 relates to a change in zoning from Two-Family Residential (RT4) to Industrial Office (IO2), to expand a parking lot on land located South of West National Avenue and East of South 22nd Street, in the 8th Aldermanic District.

This zoning change is initiated by the owner, David Samuel, to allow for the expansion of a surface parking lot adjacent to the north. The site at 824 S. 22nd Street is vacant except for a garage at the rear of the site. This garage is to be razed by order of the Department of Neighborhood Services (DNS). The site is currently unpaved and has been cited by the DNS for vehicles parking on the unpaved surface. If the zoning is changed and the site is used for additional parking, the expanded parking area must be paved and landscaped per code; including a landscaped residential buffer between the parking area and the residential property adjacent to the south.

Per the owner/applicant (David Samuel), the expanded parking is needed to allow for expansion of two existing businesses adjacent and to the north of this site (along West National Avenue). One existing business is Midwest Foods and the other is International Produce. In addition, there will be space in the building for several additional businesses. In all, the expanded and new businesses will likely result in 15 to 20 new jobs.

The neighbor immediately to the south of the subject property called DCD staff and stated his opposition to the proposed zoning change. In the past, semi trucks have parked there and idled engines. He stated that noisy vibrations have caused damaged to both the foundation of his house and basement pipes. The owner spoke with the neighbor prior to the meeting and, according to the owner, the neighbor stated that he would not be opposed to the zoning change as long as the parking is restricted to automobiles (trucks would be prohibited).


On January 25, 2010, a public hearing was held and at that time nobody spoke in opposition. Since the proposed change is consistent with the Near South Side Comprehensive Area Plan, the City Plan Commission at its regular meeting on January 25, 2010 recommended approval of the subject file.

Sincerely,





Rocky Marcoux  
Executive Secretary  
City Plan Commission of Milwaukee

cc: Ald. Robert Donovan

**FN 091157  
RT4 to IO2  
January 2010**

 Proposed Zoning Change


**Residential Districts**

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

**Commercial Districts**

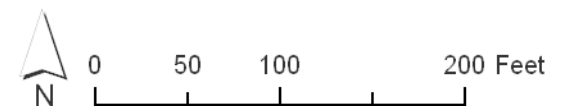
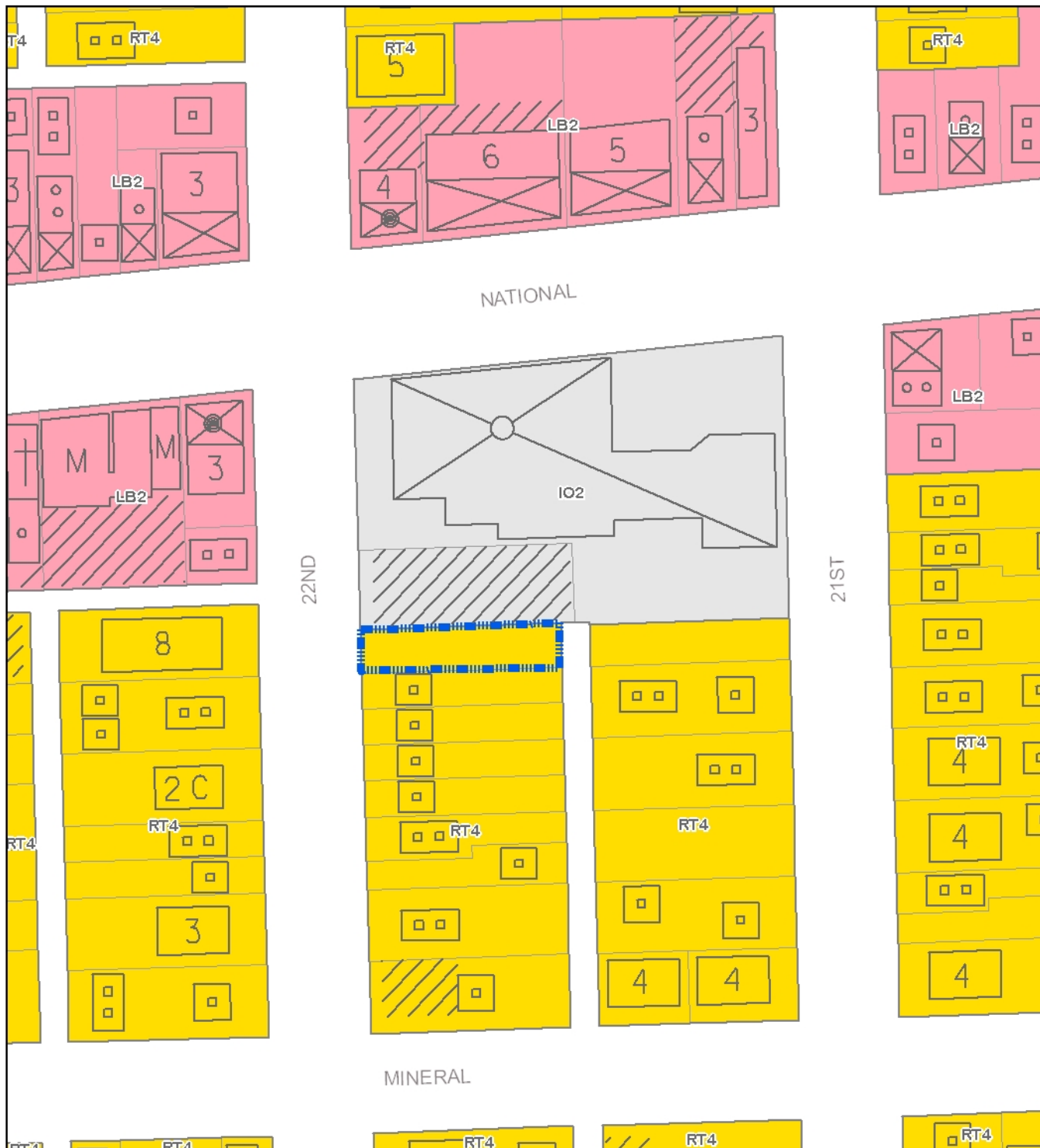
-  Neighborhood Shopping (NS1-2)
-  Local Business (LB1-2)
-  Commercial Service (CS)
-  Regional Business (RB1-2)
-  Central Business (C9A-C9H)

**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 2009

**Connelly, Kristin D.**

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**From:** Franitza, Al  
**Sent:** Tuesday, January 19, 2010 8:39 AM  
**To:** Koster, Vanessa  
**Cc:** Schiller, Lynn; Connelly, Kristin D.  
**Subject:** FN 091157 - CPC PH 1:35 PM - Zoning Change 824 S. 22nd.

**Importance:** High

Vanessa,

I received a phone call on Friday from Mr. Steve Revers-Crossman, the owner of the residential property at 828 S. 22nd St, adjacent to the proposed zoning change. He is very much opposed to the rezoning. In the past, semis have parked there and idled engines. Noisy, vibrations caused foundation damage and damage to basement pipes. Since he is unable to attend the PH, I suggested that he send us a letter or an email detailing his concerns, which we should be receiving this week. But just in case I wanted to get his opposition to you for the record.

Al

Address of parcel(s): 824 S. 22nd St.

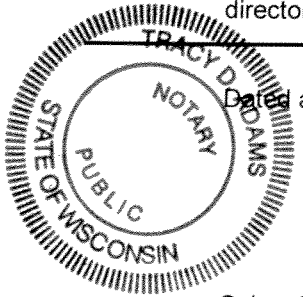
### Affidavit for Zoning Change

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  *Not subject property, process of being transferred.*
- 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 Milwaukee, Wisconsin, this 23 day of November, 2009.

[Signature]  
**Petitioner (signature)**  
DAVID SAMUEL - owner  
(print name, relationship to project)

Subscribed and sworn to before me  
This 23rd day of November, 2009  
Tracy D. Adams  
Notary Public, State of Wisconsin  
My commission expires: July 4, 2010

**PROOF OF PUBLICATION**

STATE OF WISCONSIN } SS  
MILWAUKEE COUNTY

ANN E. RICHMOND, being the first duly sworn on oath, says that she is the publisher as of January 1, 2004, of THE DAILY REPORTER - that the notice of which the printed one attached is a true copy, which copy was clipped from said newspaper, was inserted and published in said newspaper on

02/08/2010 02/15/2010

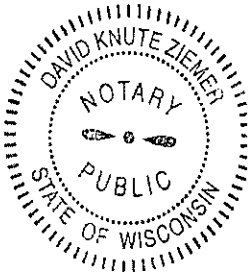
*Ann E. Richmond*

Subscribed and sworn to before me

February 15, 2010

*[Signature]*

Notary Public, Milwaukee County, Wisconsin  
My Commission Is Permanent



**C. NO. 65  
FILE NUMBER 091157**

**OFFICIAL NOTICE  
Published by Authority of  
the Common Council of the  
City of Milwaukee  
Office of the City Clerk**

Notice is hereby given that an ordinance that was introduced at the December 22, 2009 meeting of the Milwaukee Common Council, the essence of which is as follows:

A substitute ordinance relating to a change in zoning from Two-Family Residential to Industrial-Office, for parking lot expansion, on land located South of West National Avenue and East of South 22nd Street, in the 8th Aldermanic District.

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 295-801.10003: The zoning map is amended to change the zoning for the South 30 feet of Lot 7, in Block 16 of Clark's Addition, in the Southwest 1/4 Section of Section 31, Township 7 North, Range 22 East, from Two-Family Residential (RT4) to Industrial-Office (IO2).

Notice is hereby further given that the foregoing matter will be given a public hearing by the Committee on Zoning, Neighborhoods and Development in Room 301-8, City Hall, 200 East Wells Street, Milwaukee, Wisconsin, on Tuesday, February 23, 2010 at 9:00 A.M., pursuant to the provision of Sub-Section (7)(d) of Section 62.23 of the Revised Statutes of the State of Wisconsin.

PLEASE NOTE: a) Members of the Common Council, and members of its Standing Committees who are not members of this Committee, may attend this meeting to participate or to gather information. Therefore, notice is given that this meeting may constitute a meeting of the Common Council or any of its Standing Committees, and must be noticed as such, although they will not take any formal action at this meeting.

b) If you have difficulty with the English language, you may bring an interpreter with you, at your own expense, so that you can answer questions and participate in the hearing.

c) Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through sign language, interpreters or other 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 ADA Coordinator at Room 205, City Hall, 200 E. Wells Street, Milwaukee, WI 53202.

d) Limited parking for persons attending meetings in City Hall is available at reduced rates (5 hour limit) of the Milwaukee Center on the southwest corner of East Kilbourn and North Water Street. Parking tickets must be validated in Room 205, (City Clerk's Office) or the first floor Information Booth in City Hall.

e) This meeting will be web-cast live at [www.milwaukee.gov/channel25](http://www.milwaukee.gov/channel25).

RONALD D. LEONHARDT,  
City Clerk



## Legislation Details (With Text)

**File #:** 091059      **Version:** 1

**Type:** Ordinance      **Status:** In Committee

**File created:** 12/1/2009      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** A substitute ordinance relating to a change in zoning from Two-Family Residential to Local Business on lands located East of South Cesar E. Chavez Drive and North of West Mineral Street, for parking lot expansion, in the 12th Aldermanic District.

**Sponsors:** ALD. WITKOWIAK

**Indexes:** PARKING LOTS, ZONING, ZONING DISTRICT 12

**Attachments:** City Plan Commission Letter.pdf, Existing and Proposed Site Plans as of 1-25-10.pdf, Pictures.pdf, Proposed Zoning Change Map.jpg, Neighbor Letter-1.pdf, Neighbor Letter-2.pdf, Affidavit for Zoning Change.pdf, Hearing Notice List, Notice Published on 2-8-10 and 2-15-10

Date	Ver.	Action By	Action	Result	Tally
12/1/2009	0	COMMON COUNCIL	ASSIGNED TO		
12/4/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
2/2/2010	1	CITY CLERK	DRAFT SUBMITTED		
2/8/2010	1	CITY CLERK	PUBLISHED		
2/17/2010	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number  
091059  
Version  
SUBSTITUTE 1  
Reference

Sponsor  
ALD. WITKOWIAK

Title  
A substitute ordinance relating to a change in zoning from Two-Family Residential to Local Business on lands located East of South Cesar E. Chavez Drive and North of West Mineral Street, for parking lot expansion, in the 12th Aldermanic District.

Analysis  
This zoning change was requested by BMR Design Group, Inc. on behalf of El Rey Mexican Store and will allow for the expansion of an existing parking lot and relocation of a leg of a North-South alley.

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 295-601.2.0037. The zoning map is amended to change the zoning for the area bounded and described as follows:

A line 199.75 feet East and parallel to the east line of South Cesar E. Chavez Drive, the north line of West Mineral Street, a line 319.75 feet East and parallel to the east line of South Cesar E. Chavez Drive, and a line 140 feet North and parallel to the north line of West Mineral Street, from Two-Family Residential (RT4) to Local Business (LB2).

Drafter  
DCD:AJF:ajf



January 25, 2010

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

Dear Committee Members:

File No. 091059 relates to a change in zoning from Two-Family Residential (RT4) to Local Business (LB2) on lands located East of South Cesar Chavez Drive and North of West Mineral Street, for the expansion of a parking lot, in the 12th Aldermanic District.

This zoning change is requested by BMR Design Group, Inc. on behalf of El Rey Mexican Store and will allow for the expansion of an existing parking lot and relocation of the North-South alley leg. In addition to the proposed zoning change, the owner/applicant has also submitted an application to vacate the existing north-south alley, which will be relocated to the east of the expanded parking lot. A Certified Survey Map (CSM) has also been submitted, and will consolidate several parcels into one lot to facilitate the expansion of the parking lot. The CSM also dedicates the land for the shifted alley leg. Both the vacation file and the CSM will be scheduled for City Plan Commission review at a later date.

A neighbor, who is a block watch captain, called DCD staff and stated that there have been problems with El Rey customer parking and semi truck parking in the alley near El Rey, or vehicles using the alley to access the existing parking lot. The neighbor indicated that he is not opposed to the zoning change and parking lot expansion if the expansion will alleviate the parking problems. He wanted assurances that there will be no direct access to the alley from the parking lot. He likes the site plan showing driveway openings onto Mineral Street. In addition the neighbor wanted to know how they will handle snow removal from the parking lot. He says that currently lots of snow gets pushed to his end of the alley.

On January 25, 2010, a public hearing was held and at that time there were a few people who expressed concerns about the current parking situation, including garbage and customers and trucks parking in the alley. A commissioner commented on the internal flow of the parking lot. If four spaces are removed from the parking lot configuration, then a drive aisle could be put in to connect the parking lot expansion to the existing parking lot. Since the proposed change complies with the Near South Side Comprehensive Area Plan, the City Plan Commission at its regular meeting on January 25, 2010 recommended approval of the subject file, conditioned on requesting that the Department of Public Works review whether the proposed alley leg is necessary or if a turn around could be provided instead, as part of the separate vacation file, and reconfiguring the interior parking spaces to allow for contiguous access.

Sincerely,

Rocky Marcoux  
Executive Secretary  
City Plan Commission of Milwaukee

cc: Ald. Jim Witkowiak

**PROJECT**

Proposed New  
Parking Lot  
For El Rey  
Grocery Store  
1540-42-46  
West Mineral St.  
Milwaukee, WI

**PROJECT NO. 04-24**

DATE 5/4/09

**REVISIONS**

NO.	DESCRIPTION

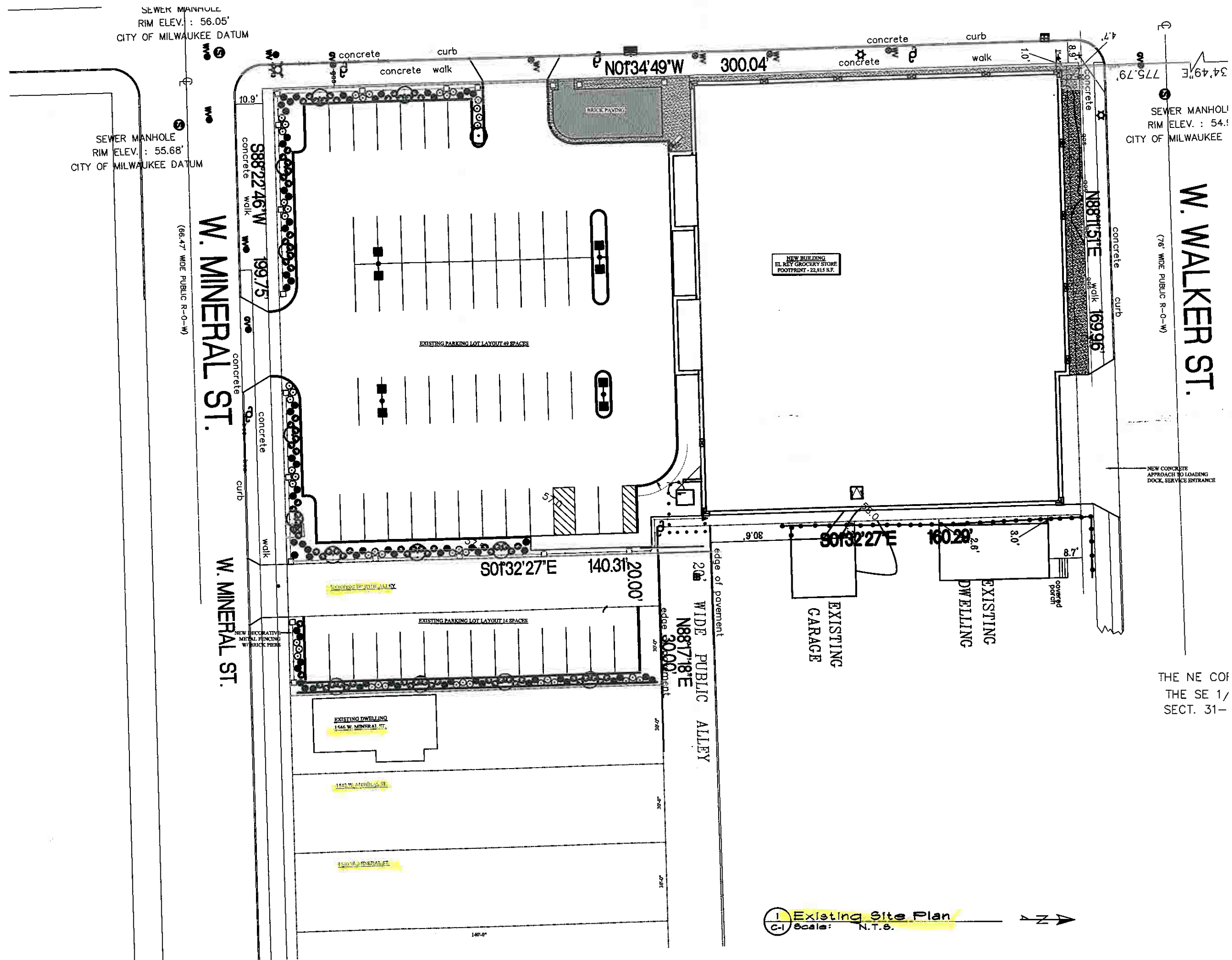
CHECKED BY L.B.

DRAWN BY M.N.

SCALE as noted

SHEET NO. C-1

SHEET TITLE



1 Existing Site Plan  
Scale: N.T.S.

**PROJECT**  
 Proposed New  
 Parking Lot  
 For El Rey  
 Grocery Store  
 1540-42-46  
 West Mineral St.  
 Milwaukee, WI

**PROJECT NO.** 04-24

**DATE** 5/8/09

**REVISIONS**

NO.	DESCRIPTION

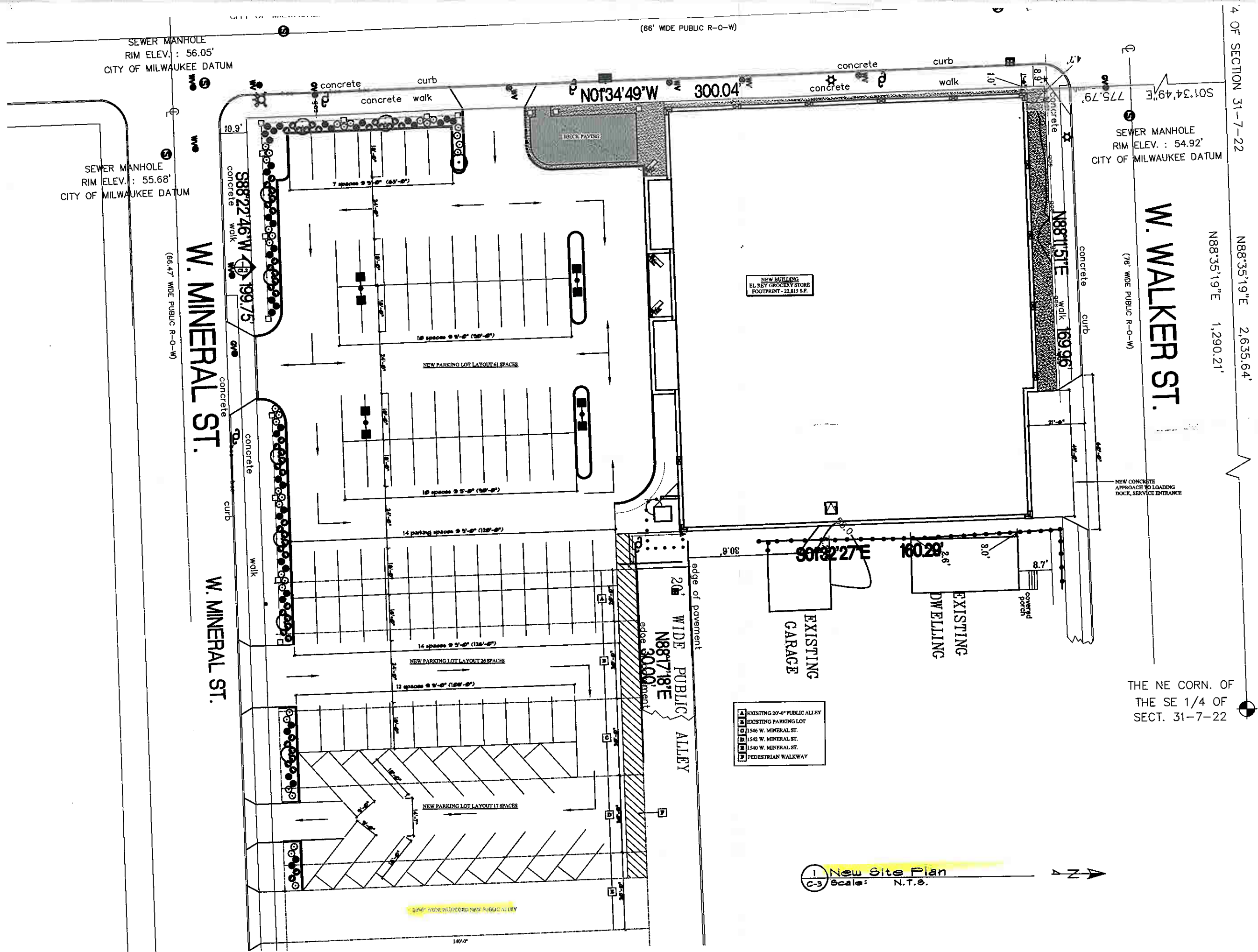
**CHECKED BY** L.B.

**DRAWN BY** M.N.

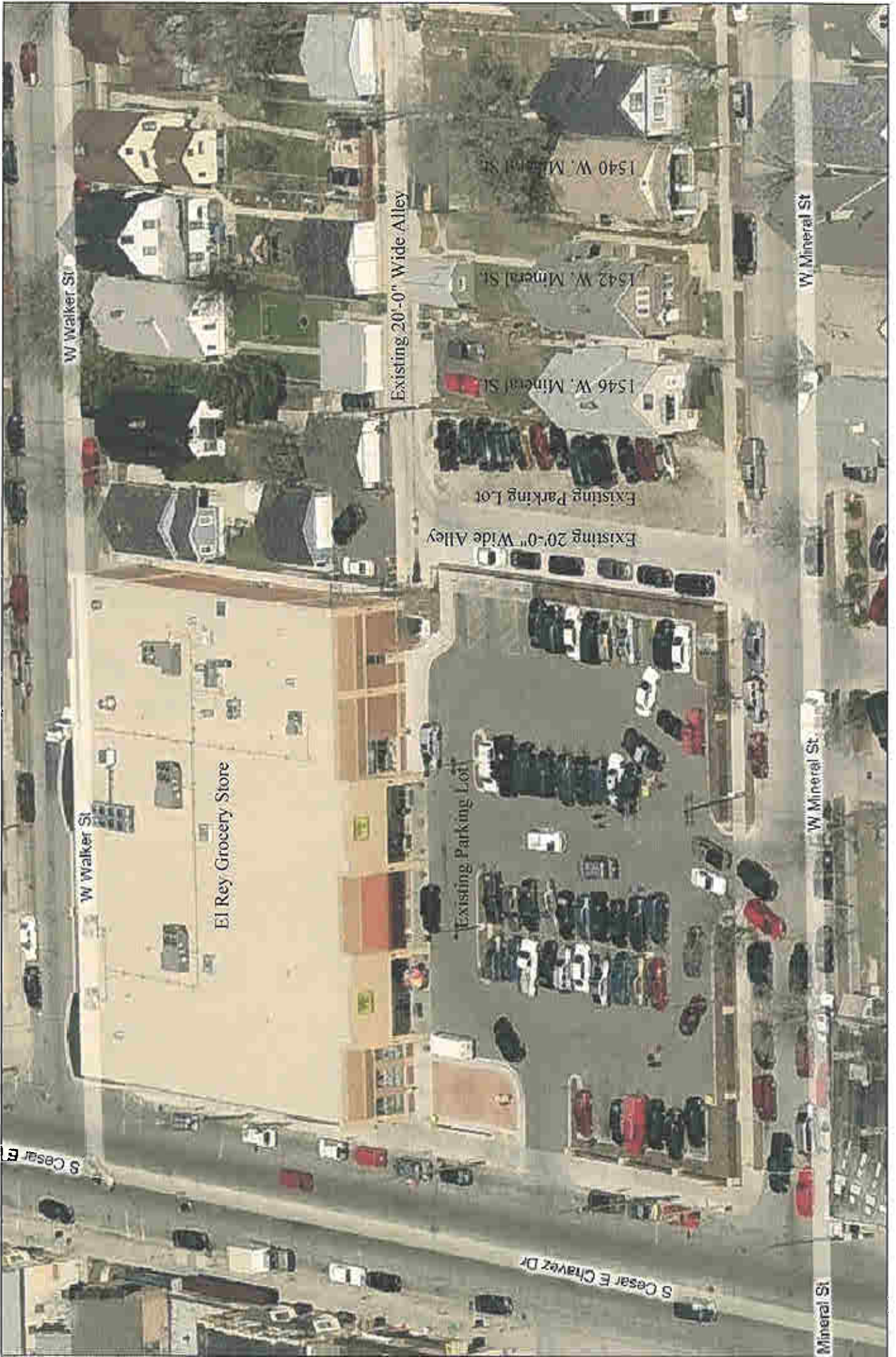
**SCALE** as noted

**SHEET NO.** C-3

**SHEET TITLE**



1 New Site Plan  
 C-3 Scale: N.T.S.



W Walker St

W Walker St

El Rey Grocery Store

Existing 20'-0" Wide Alley

Existing 20'-0" Wide Alley

Existing Parking Lot

1546 W. Mineral St

1542 W. Mineral St

1540 W. Mineral St

W Mineral St

W Mineral St

Mineral St

S Cesar E

S Cesar E Chavez Dr

Project: Proposed New Parking Lot  
At 1540-42-46 W. Mineral St.  
Owner: El Rey Grocery Store  
Date: 10/28/09



1546 W. Mineral St. – Front View



1546 W. Mineral St. – Rear View



1542 W. Mineral St. – Front View



1542 W. Mineral St. – Rear View




1540 W. Mineral St. – Front View







1540 W. Mineral St. – Rear View

**FN 091059  
RT4 to LB2  
January 2010**

 Proposed Zoning Change



**Residential Districts**

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




**Commercial Districts**

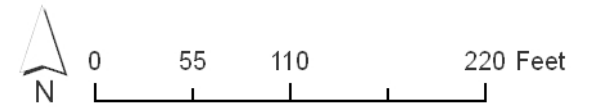
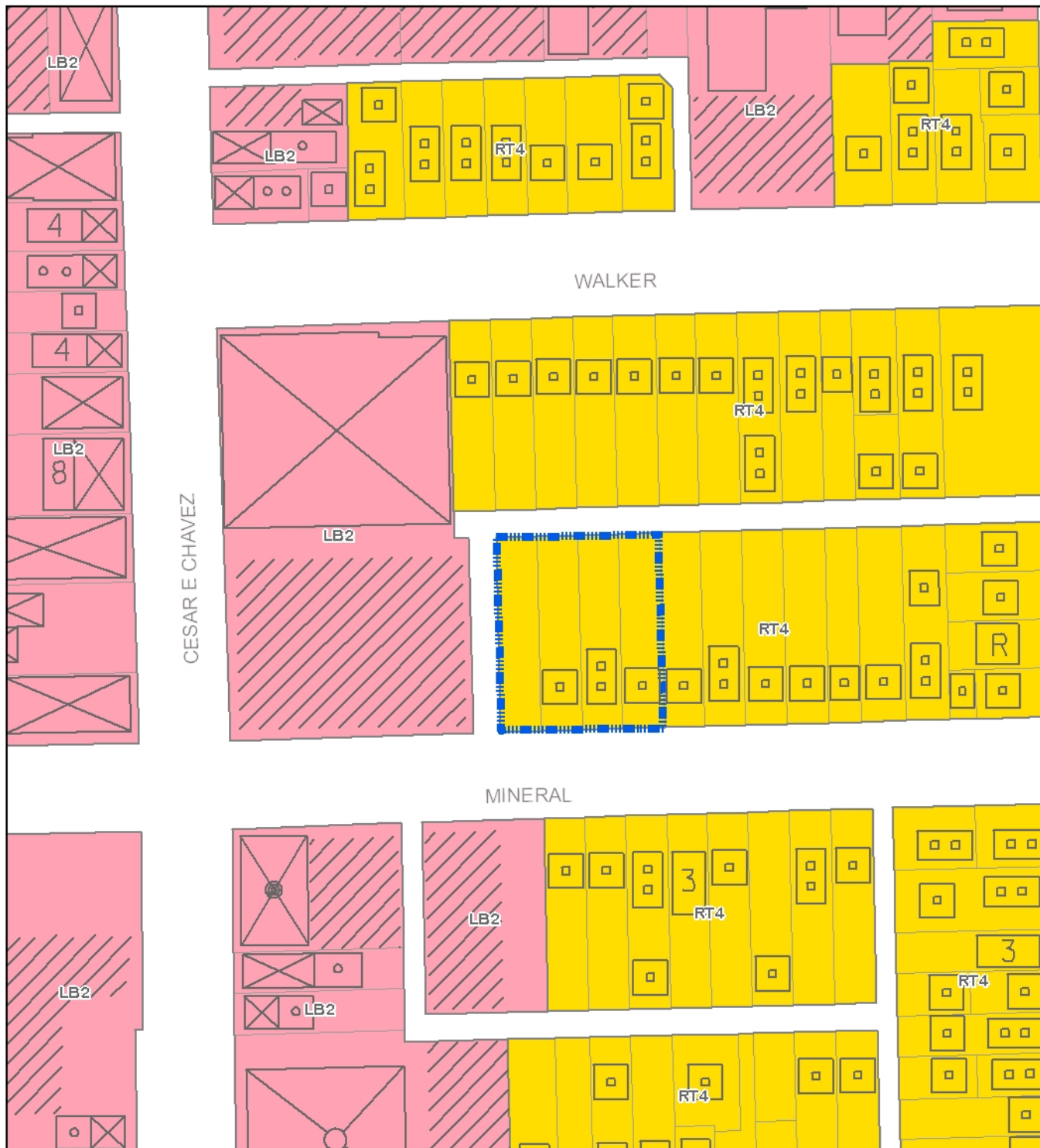
-  Neighborhood Shopping (NS1-2)
-  Local Business (LB1-2)
-  Commercial Service (CS)
-  Regional Business (RB1-2)
-  Central Business (C9A-C9H)

**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 2009

## Connelly, Kristin D.

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**From:** Franitza, Al  
**Sent:** Monday, January 25, 2010 8:32 AM  
**To:** Koster, Vanessa  
**Cc:** Connelly, Kristin D.; Schiller, Lynn  
**Subject:** El Rey PH - Neighbor's comments.

**Importance:** High

Vanessa,

I received a phone call on Friday (1/2/10) from Mr Gabriel Reyes, a neighborhood home owner at 1507 W. Walker St (SW corner of 15th & Walker). He mentioned that he is the block captain for the neighborhood watch and is also speaking for his neighbors.

He is unable to attend the PH, but would like his and his neighbors' concerns addressed. There have been problems with El Rey customer parking and semi truck parking in the alley near El Rey, or vehicles using the alley to access the existing parking lot.

Mr. Reyes indicated that he is not opposed to the zoning change and parking lot expansion if the expansion will alleviate the parking problems. He would like assurances that there will be no direct access to the alley from the parking lot. He likes the site plan showing driveway openings onto Mineral St, In addition Mr. Reyes would like to know how they will handle snow removal from the parking lot. He says that currently lots of snow gets pushed to his end of the alley.

Al Franitza  
Principal Planner,  
Department of City Development,  
Planning Administration  
809 North Broadway  
Milwaukee, Wisconsin 53202-3617  
414-286-5715  
Email: afrani@milwaukee.gov

Concerns of the Property Owners / Residents <sup>File #</sup> — 091059  
in the Alley between Mineral and Walker Streets / EL REY.

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1. To be sure when Zoning is changed from "2-Story Residential" property to "LB2-Local Business" that the property owners remain residential, so we are not taxed at the "business tax". We do not want higher taxes.
2. The alley should remain for the Residents who live here, as we were promised before the new store was built. We would like Entrance/Exits on Mineral St. or Cesar Chavez Drive / S. 16<sup>TH</sup> St. — Customers have been using the alley and have been "rude" to residents driving in/out of our own driveways and garages. Also, customers have been parking in front of garages in the alley. More parking space may help this but "NO PARKING IN ALLEY FOR EL REY CUSTOMERS" signs should be posted.
3. Snow Removal — Snow should remain on EL REY property — not taken and dropped off / plowed at the end of alley and left on S. 15 ST. / One neighbor already spoke to the plow truck driver and he (the driver) removed it.



4. Store garbage needs be picked up by its employees at least once per day — garbage is blown or tossed on the ground by store customers on Mineral St, on Walker St. and in the alley. Store bags, deli items, restaurant items, etc. have the "EL Rey" name on them. Found 1-2 blocks from store

~~5. Back of Store (W. Walker St.) — need to keep sidewalk clear, so people can use the sidewalk. Full of pallets, cardboard, milk crates, etc.~~

5. No Semi trucks on S. 15th St. / or other delivery trucks using the alley. Semi's are too large for S. 15 street and too heavy. Cars have been damaged and the Semi traffic "rattle" homes foundations. Need to use Walker St. — Cesar Chavez or Mineral St. only — these streets are wider. (Walker St. is delivery door) area.

6. Recycling and garbage truck — pickups — should not be a problem for alley (residents)? — Traffic flow?

Address of parcel(s): 1540-1542-1546 W. Mineral St.

### 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 Milwaukee, Wisconsin, this 15<sup>th</sup> day of October, 2009.



**Petitioner (signature)**

Ernesto Villarreal, Manager  
(print name, relationship to project)

**El Rey Enterprises II, LLC**

Subscribed and sworn to before me  
This 15<sup>th</sup> day of October, 2009

AW Zlin  
Notary Public, State of Wisconsin  
My commission expires: 3/24/13

Office Use Only: File no. 091059



# PROOF OF PUBLICATION

STATE OF WISCONSIN } SS  
MILWAUKEE COUNTY

ANN E. RICHMOND, being the first duly sworn on oath, says that she is the publisher as of January 1, 2004, of THE DAILY REPORTER - that the notice of which the printed one attached is a true copy, which copy was clipped from said newspaper, was inserted and published in said newspaper on

02/08/2010 02/15/2010

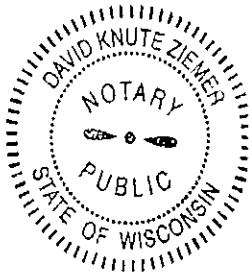
*Ann E. Richmond*

Subscribed and sworn to before me

February 15, 2010

*[Signature]*

Notary Public, Milwaukee County, Wisconsin  
My Commission Is Permanent



C. NO. 64  
FILE NUMBER 091059

10756409

## OFFICIAL NOTICE Published by Authority of the Common Council of the City of Milwaukee Office of the City Clerk

Notice is hereby given that an ordinance that was introduced at the December 1, 2009 meeting of the Milwaukee Common Council, the essence of which is as follows:

A substitute ordinance relating to a change in zoning from Two-Family Residential to Local Business on lands located East of South Cesar E Chavez Drive and North of West Mineral Street, for parking lot expansion, in the 12th Aldermanic District.

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 295-6012.0037: The zoning map is amended to change the zoning for the area bounded and described as follows:

A line 199.75 feet East and parallel to the east line of South Cesar E Chavez Drive, the north line of West Mineral Street, a line 319.75 feet East and parallel to the east line of South Cesar E Chavez Drive, and a line 140 feet North and parallel to the north line of West Mineral Street, from Two-Family Residential (RT4) to Local Business (LB2).

Notice is hereby further given that the foregoing matter will be given a public hearing by the Committee on Zoning, Neighborhoods and Development in Room 301-B, City Hall, 200 East Wells Street, Milwaukee, Wisconsin, on Tuesday, February 23, 2010 at 9:00 A.M., pursuant to the provision of Sub-Section (7)(d) of Section 62.23 of the Revised Statutes of the State of Wisconsin.

PLEASE NOTE: a) Members of the Common Council, and members of its Standing Committees who are not members of this Committee, may attend this meeting to participate or to gather information. Therefore, notice is given that this meeting may constitute a meeting of the Common Council or any of its Standing Committees, and must be noticed as such, although they will not take any formal action at this meeting.

b) If you have difficulty with the English language, you may bring an interpreter with you, at your own expense, that you can answer questions and participate in the hearing.

Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through language, interpreters or other aids. For additional information, request this service, contact the Services Division ADA Coordinator at 286-2998, (FAX) 286-2025 or by written request at Room 301-B, 200 E. Wells Street, Milwaukee, WI 53202.

For persons at City Hall is available (hour limit) at the southwest and North City Clerks' information

**Contracted!**  
ONHARDT,  
City Clerk.



## Legislation Details (With Text)

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**File #:** 090879      **Version:** 1

**Type:** Resolution      **Status:** In Committee

**File created:** 11/3/2009      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** Substitute resolution approving a Second Restated Agreement for Purchase and Sale of the surplus City-owned property at 4701-5001 South Pennsylvania Avenue in the City of Cudahy between the City of Milwaukee and Cobalt Partners, LLC.

**Sponsors:** ALD. WITKOWSKI

**Indexes:** AGREEMENTS, CITY PROPERTY, PROPERTY ACQUISITION, PROPERTY SALES, SURPLUS PROPERTY

**Attachments:** Hearing Notice List, Agreement for Purchase and Sale.pdf, Mortgage.pdf, Fiscal Note.pdf

Date	Ver.	Action By	Action	Result	Tally
11/3/2009	0	COMMON COUNCIL	ASSIGNED TO		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/18/2010	1	CITY CLERK	DRAFT SUBMITTED		

Number

090879

Version

SUBSTITUTE 1

Reference

040353, 051347

Sponsor

ALD. WITKOWSKI

Title

Substitute resolution approving a Second Restated Agreement for Purchase and Sale of the surplus City-owned property at 4701-5001 South Pennsylvania Avenue in the City of Cudahy between the City of Milwaukee and Cobalt Partners, LLC.

Analysis

This substitute resolution authorizes entry into a Second Amended and Restated Agreement for Purchase and Sale whereby the City will convey a former landfill at 4701-5001 South Pennsylvania Avenue in the City of Cudahy pursuant to Section 304-49-7, Milwaukee Code of Ordinances.

Body

Whereas, The City of Milwaukee ("City") owns property at 4701-5001 South Pennsylvania Avenue in the City of Cudahy (the "Property") that was acquired in 1954 through consolidation of the Town of Lake and that was operated as a licensed solid waste landfill by the City's Department of Public Works ("DPW"); and

Whereas, DPW no longer uses the Property for those purposes and the City obtained conditional closure of the landfill from the Wisconsin Department of Natural Resources; and

Whereas, By adoption of File No. 040353 on July 27, 2004, the Common Council declared the Property surplus to municipal needs and approved its sale to Kendall Bruenig; and

Whereas, Mr. Bruenig's offer expired without closing and the City's Department of City Development ("DCD") issued a Request for Proposals for sale of the Property on an "as is" basis with no warranties; and

Whereas, Three proposals were received prior to the established deadline and by adoption of File No. 051347 on February 28, 2006, the Common Council approved sale of the Property to Cobalt Partners, LLC ("Cobalt") for \$1,800,000; and

Whereas, Per Common Council File No. 051347, the City and Cobalt entered into an "Agreement for Purchase and Sale" (the "PASA"), effective March 15, 2006, allowing Cobalt a 150-day-buyer-contingency period and calling for a closing within 160 days from March 15, 2006; and

Whereas, For an extension fee of \$2,500, which Cobalt paid to City, the City and Cobalt entered into a First Amendment to the PASA to extend the buyer-contingency period to March 15, 2007 and to extend the closing date to March 26, 2007; and

Whereas, Cobalt and the City entered into a Second Amendment to the PASA on November 22, 2006, to extend the buyer-contingency period to September 15, 2007, and to extend the closing date to September 26, 2007, with Cobalt agreeing to pay the City, beginning December 1, 2006, and on the first day of each month thereafter through September 1, 2007, \$1,000 per month for monthly extension fees; and

Whereas, Effective August 30, 2007, the City and Cobalt entered into an "Amended and Restated Agreement for Purchase and Sale" (the "First Restated PASA"), superseding the original PASA as amended, recognizing that the Property was probably smaller than the City originally thought (20 acres as opposed to 23.7 acres), keeping the purchase price at \$1,800,000, allowing Cobalt until December 5, 2008 to satisfy or waive contingencies (general feasibility, TID financing from Cudahy and DNR approval of a Remedial Action Plan), and calling for closing on December 19, 2008; and

Whereas, Effective November 11, 2008, the City and Cobalt entered into a First Amendment to the First Restated PASA, extending Cobalt's contingency period to June 12, 2009, giving Cobalt the right to extend that contingency period for up to 6 additional months beginning on June 13, 2009 and ending on December 12, 2009, and calling for the \$1,800,000 purchase price to increase by \$1,000 for each such month of extension, and extending closing to 20 days after the waiver or satisfaction of contingencies; and

Whereas, Cobalt did extend the contingency period through December 12, 2009 such that the purchase price under the First Amendment to the First Restated PASA was \$1,806,000; and

Whereas, Cobalt is still in discussions with Cudahy regarding TID financing for development of the Property, but desires to go forward with acquisition on amended terms, including a reduced purchase price (due to development and environmental challenges associated with the Property) and a closing on or before March 31, 2010; and

Whereas, Cobalt proposes a Second Amended and Restated Purchase and Sale Agreement (the "Second Restated PASA") that would supersede all past contracts, that would reduce the purchase price to \$1,250,000, that would be free from any buyer contingency and that would establish a closing date on or before March 31, 2010 (but with the ability to extend closing to May 31, 2010); now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the PASA (now the second time it has been restated, so being the Second Restated PASA), a copy of which is attached to this Common Council File, for the purchase and sale of the Property between Cobalt and the City is approved; and, be it

Further Resolved, That the proper City officials are authorized to execute the Second Restated PASA and all other documents required or contemplated thereby, including a deed at closing, and to take the necessary action, on behalf of the City, to effectuate the purpose and intent of this resolution and to close the transaction consistent with the provisions hereof and of the Second Restated PASA; and, be it

Further Resolved, That at such time as the Property is sold, the sale proceeds, less marketing and closing expenses and a 30 percent disposition cost reimbursement to the Redevelopment Authority of the City of Milwaukee, shall be deposited in the City's General Fund.

Drafter

DCD:DAC:dac

02/17/10





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**AGREEMENT FOR PURCHASE AND SALE**  
**4701-5001 South Pennsylvania Avenue, Cudahy, Wisconsin**

THIS AGREEMENT, dated as of this \_\_\_\_ day of February, 2010 (the "Effective Date"), is made and entered into by and between the **CITY OF MILWAUKEE** ("City") and **COBALT PARTNERS, LLC** ("Buyer").

- 1) **Supercedes.** This Agreement terminates, supersedes, and replaces, in all respects, that certain "Amended and Restated Agreement for Purchase and Sale" between City and Buyer dated as of August 30<sup>th</sup>, 2007, as amended November 11, 2008, and any and all other agreements. This Agreement is the sole contract between City and Buyer regarding the Property (defined below).
- 2) **Agreement to Buy and Sell.** Buyer agrees to buy from City, and City agrees to sell to Buyer, on the terms and conditions contained herein, all of City's right, title, and interest in and to the property at 4701 South Pennsylvania Avenue, Cudahy, Wisconsin, Tax Key Number 629-9995 (sometimes also referred to as 4701-5001 South Pennsylvania Avenue) (more particularly described in **EXHIBIT A** attached hereto), including all of City's rights and privileges appurtenant thereto, and City's interest, if any, in all strips and gores of land lying adjacent to 4701 South Pennsylvania Avenue (the "Property"). Buyer informs City that, per investigations Buyer and its engineering consultant have performed, Buyer believes that the Property is approximately 20.0 acres (rather than approximately 23.7 acres as Buyer and City initially believed). As used herein, "Acreage Difference" means 3.7 acres, i.e.  $23.7 - 20 = 3.7$ . City does not represent or warrant acreage of the Property.
- 3) **Purchase Price.** The purchase price for the Property shall be **ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$1,250,000.00)** ("Purchase Price") and will be paid in good funds via wire transfer pursuant to wire directions to be furnished by City to Buyer as follows:

\$416,667.67 shall be paid on each of the following dates:

  - (a) at Closing (as defined below);
  - (b) on the one-year anniversary of Closing; and
  - (c) on the two-year anniversary of Closing.

If the one-year or two-year anniversary of Closing falls on a date that Milwaukee's City Hall is not open for regular business, then the wire transfer must be paid and completed on the nearest date preceding the respective anniversary date that Milwaukee's City Hall is open for business.
- 4) **Earnest Money.** Earnest money of \$25,000 in the form of a cashier's check has already been paid to City by Buyer and shall continue to be held by City in a City account. No interest shall accrue to Buyer or be payable to Buyer. Such earnest money shall be applied to the Purchase Price as a credit to Buyer at Closing.
- 5) **Closing.** Closing on this transaction ("Closing") shall take place at the offices of the City Attorney of the City of Milwaukee, at a mutually acceptable time, on or before **MARCH 31, 2010**. **Notwithstanding the foregoing, however, Buyer shall have the right to extend the date of Closing to a date that is not later than May 31, 2010 only in the event that (1) the City of Cudahy shall not have formed City of Cudahy ERTID#2 and modified ERTID#1 as of March 31, 2010 (including having obtained approval of the same by the applicable Joint Review Board) and (2) Buyer shall have provided written notice of such extension to City on or before March 15, 2010 together with a**

**deposit in the amount of \$50,000.00, which deposit shall be nonrefundable to Buyer in any event, but applicable to the Purchase Price as a credit to Buyer at Closing.** Buyer's obligations under this Agreement are not contingent on any act or failure to act by the City of Cudahy, and the foregoing provisions concerning the City of Cudahy relate only to the possibility of extending Closing as provided.

- 6) **Quit-Claim Deed of Property; AS-IS Sale.** City shall, upon Buyer's payment of the \$416,667.67 part of the overall \$1,250,000 Purchase Price due at Closing (less the credit for the Earnest Money already paid) by electronic wire transfer to the designated City Account, convey the Property to Buyer by quit-claim deed, in form and substance of that attached hereto as **EXHIBIT B** (the "Deed"), in "AS-IS, WHERE-IS" condition, with all faults and defects, known or unknown, physical or otherwise, and without representation or warranty, express or implied. Such provisions shall bar all tort, warranty, and misrepresentation claims – including any action based on non-disclosure. Buyer shall rely on Buyer's own due diligence and independent investigation and inspection, and Buyer shall not rely upon any oral or written statement or representation of City or any employee or agent or contractor of City. At Closing, and upon delivery of the Deed to Buyer, whatever occupancy rights City has in and to the Property will become that of Buyer.
- 7) **Personal Guarantees and Mortgage Documents, and Lender's Policy of Title Insurance.** Buyer represents and warrants to City (as of the date hereof and of Closing and at all times in between, and at all times in between Closing and the time of final payment by Buyer to City of 100% of the Purchase Price): that Buyer's sole member is Scott Yauck ("Yauck"); that Buyer is in good standing and authorized to do business in the State of Wisconsin; that Yauck is Buyer's sole manager. Yauck hereby joins in the signing of this document subject to the limitations and conditions set forth below and hereby makes the same representations and warranties to City. In addition, Yauck hereby represents and warrants to City that the following is his principal place of domicile and personal residence, that he is lawfully seized of good and marketable fee title to his residence, and that **EXHIBIT E** attached is a true and accurate summary of how fee title to the residence is held, and concerning liens and mortgages in his personal residence. On or before the Effective Date, Yauck shall deliver to City a CTIC title insurance commitment concerning his residence, listing THE CITY OF MILWAUKEE as the proposed insured for a loan policy of coverage in the amount of \$833,332.33 (i.e. 100% of the Purchase Price less the first \$416,667.67 payment due at Closing) and showing title meeting City's reasonable approval. Yauck agrees not to take any action or to allow status of title to his personal residence, as reflected by the CTIC commitment, to change in any way prior to Closing. At Closing, Yauck agrees to sign and deliver to City a personal guaranty in form and substance of **EXHIBIT F** attached and mortgage in form and substance of **EXHIBIT G** attached securing the personal guaranty and providing to City a mortgage interest in Yauck's personal residence. Yauck shall, on or before Closing, pay to CTIC the premium charged for it to issue to City the loan policy of title insurance, and pay to CTIC the recording fees to record the mortgage, which mortgage shall be recorded at the same time as the Deed is recorded. Yauck also agrees to sign standard title insurance affidavits to induce CTIC to remove removable title insurance exceptions as a result of the affidavits. Notwithstanding anything to the contrary contained herein, the foregoing guaranty and mortgage provided by Yauck, and his joining in the signing of this document, are for the sole and limited purpose of guaranteeing payment of the Purchase Price in accordance with and subject to the terms and conditions set forth herein, in the Guaranty, and in the mortgage, and for no other purpose whatsoever. Upon payment in full of the Purchase Price, Yauck's obligation shall terminate and Yauck's guaranty and mortgage immediately shall be terminated and satisfied of record.

- **Yauck Residence:**  
8140 North Gray Log Lane  
Fox Point, WI 53217

- 8) **Buyer Aware of Prior Landfill.** Without changing the “AS-IS/no warranty or representation” nature of this transaction, Buyer is aware that the Property is or may be affected by adverse geotechnical and environmental issues, the Property having been a former landfill. As a prior landfill, the Property may be subject to limitations regarding improvement, construction, and disturbance. Buyer was previously encouraged to undertake whatever investigation and due diligence review that Buyer deemed necessary, and Buyer had the opportunity (now expired) to do that.
- 9) **Title Insurance.** Also without changing the “AS-IS/no warranty or representation” nature of this transaction, City has obtained and provided (or caused to be provided) to Buyer a title insurance commitment for the Property from Chicago Title Insurance Company (“CTIC”) (Commitment No. **1183304**) and copies of all title-exception documents referred to therein. Buyer shall pay for title insurance in the amount of the Purchase Price, and shall pay for any gap or other endorsement that Buyer may desire.
- 10) **No Tax Proration.** The Property is currently property-tax exempt, and, so long as it remains exempt, there will be no proration of taxes at Closing.
- 11) **Buyer to Pay Transfer Fee and Execute Return.** At Closing, Buyer and City shall sign a Wisconsin Transfer Return, or as the case may be, cause one to be electronically filed for the transaction, and Buyer shall pay the entire real-estate-transfer fee due concerning the transaction without assertion of any exemption - understanding that while the Deed may represent a conveyance from the City as a subdivision of the State under Wis. Stat. § 77.25 (2), Buyer will be paying the Purchase Price over time as expressly set forth herein.
- 12) **Recording Deed.** The Deed shall, promptly after Closing, be recorded by CTIC (along with the one mortgage in and to Yauck’s personal residence) with the cost of recording being paid by Buyer as required by Milwaukee Code of Ordinances (“MCO”) § 304-49-10. The City’s Department of City Development shall, per said § 304-49-10, delegate to CTIC the duty of recording. At Closing, Buyer shall provide CTIC with a check, made payable to the Milwaukee County Register of Deeds, in the amount needed to record the Deed (and mortgage), and Buyer shall instruct CTIC to record the Deed (and mortgage) within two business days of Closing.
- 13) **Milw. Code of Ordinances § 308-22-2-g.** This Agreement shall be deemed the “waiver” by Buyer required by MCO § 308-22-2-g. In the event of a Closing and delivery of a Deed pursuant hereto, Buyer agrees to abide by, and to be bound by, MCO § 308-22-2-g.
- 14) **Buyer’s Pre-Closing Access Right.** City shall allow Buyer and its agents and representatives pre-Closing access to the Property, for VISUAL INSPECTION ONLY (no testing rights allowed) on the following terms and conditions:
- A. Access is for the sole purpose of VISUAL INSPECTION ONLY.
  - B. Prior to any entry by Buyer or anyone claiming by, through, or under Buyer, or on behalf or at the direction of Buyer, Buyer shall contact Dan Casanova of the City’s DCD at 414-286-5921 and inform him of the time and date of the desired entry, purpose of entry, and the estimated length of occupancy. Mr. Casanova shall have discretion as to whether to allow such entry without City accompaniment or whether the City will require on-site accompaniment by a City employee, agent, or representative.
  - C. Buyer, and any person or entity entering at Buyer’s direction or request, must – prior to entry - provide the City with an insurance certificate with minimum limits as set forth on

**EXHIBIT C** attached hereto. The City of Milwaukee must be named as an additional insured.

- D.** Entry is at Buyer's and the entrant's own risk.
- E.** Buyer shall be required to obtain, and provide to City prior to entry, an executed sign-off in the form of **EXHIBIT D** attached hereto by anyone entering by, through, or under Buyer, or by anyone entering with, or on behalf or at the direction of Buyer, that entry is at such person's own risk and that the City will be indemnified and held harmless regarding any loss, claim, injury, liability, or expense that may befall such person, or that may be asserted against City, directly or indirectly, as a result of entry onto the Property.
- F.** If any disturbance or damage is caused by Buyer (or anyone claiming by, through or under Buyer, or anyone acting at Buyer's direction or request) as a result of entry under this Agreement, Buyer must, at its expense, restore the Property to the condition that existed prior to such entry.
- G.** Buyer shall defend, indemnify and hold City harmless from any and all loss, cost, damage, claims, or expense, including, without limitation, reasonable attorney fees, that may result, directly or indirectly, from Buyer's (or anyone claiming by, through, or under Buyer, or by anyone entering on behalf or at the direction of Buyer) entry onto, occupancy of, or conduct or activities at, the Property (including, but not limited to, any failure by Buyer to restore as required above).
- H.** This right of entry shall expire upon the termination of this Agreement. Buyer's obligations under subparagraphs F and G above, however, shall survive any termination of this Agreement.

City agrees to promptly make and communicate decisions regarding accompaniment under subparagraph B.

**15) Copies to City.** Buyer provided to City, copies of all environmental and/or geotechnical reports, findings, data and/or results that Buyer obtained concerning the Property, and a copy of any survey Buyer obtained regarding the Property. Buyer does not verify or guaranty to City or to any other party the veracity or accuracy of any material prepared or reported to Buyer by any third party.

**16) Successors and Assigns.** This Agreement binds and inures to the benefit of the parties hereto and their successors and assigns. Notwithstanding the foregoing, however, Buyer may ONLY assign its rights and obligations under this Agreement if: **the assignment and terms and conditions thereof meet City's prior written approval;** Buyer also remains liable for all of Buyer's and the permitted assignee's obligations and liabilities hereunder; Yauck remains liable under his personal guaranty and mortgage in his personal residence; the assignment is pursuant to a written assignment agreement a complete copy of which is provided to City; the assignee and its relationship to Buyer must be identified in writing to City; and the assignee agrees in the written assignment agreement (to which City shall be deemed a third-party beneficiary) that the assignee is jointly and severally responsible and liable for Buyer's duties and obligations hereunder.

**17) Facsimile and Counterparts.** This Agreement may be executed in one or more counterparts which, when taken together, shall constitute one and the same document. And, facsimile signatures shall be accepted as originals.

**18) Entire Agreement.** This Agreement constitutes the entire agreement between the parties and all prior statements, written or oral, are terminated and of no effect. This Agreement may only be amended by a written agreement signed by all the parties hereto.

**19) Severable.** The terms and provisions of this Agreement are deemed separable and severable such that the invalidity or unenforceability of any term or provision shall not affect or impair the validity or enforceability of the remaining terms and provisions.

**20) Authority to Sign/Common Council Approval.**

- A. Buyer represents that its respective signatories have full authority to sign this Agreement.
- B. City's Common Council has approved entry into and execution of this Agreement on behalf of the City by virtue of Council File 090879.

**21) Survival.** The terms, provisions, and agreements herein shall survive Closing and delivery and recording of the Deed. And, notwithstanding a termination of the Agreement, or anything to the contrary contained herein, Buyer's express agreements in paragraph 13 and 14.G. shall survive termination of the Agreement

**22) Notices.** All notices permitted or required hereunder shall be considered given **(i)** upon receipt if hand-delivered by commercial courier or otherwise personally delivered, **(ii)** if sent by facsimile, then the notice must be sent during business hours (i.e. 8:30 A.M to 4:30 P.M., Monday through Friday) on days that City's City Hall is open for business, and the notice shall be deemed given when sent as per the following and so long as the notice is successfully sent (i.e. the sender does not receive any error or "busy" or "inability to send" notification), and **(iii)** within two business days of depositing same in the U.S. mail, postage-paid, addressed by name and address to the party intended as follows:

**A. If to City:**

Dan Casanova  
Dept. of City Development  
809 North Broadway, 2nd Floor  
Milwaukee, WI 53202  
Fax: 414-286-0395  
Phone: 414-286-5921

With a further copy to:

Gregg Hagopian  
City Attorney's Office  
800 City Hall  
200 East Wells Street  
Milwaukee, WI 53202  
Fax: 414-286-8550  
Phone: 414-286-2620

**B. If to Buyer:**

Cobalt Partners, LLC  
Attn: Scott Yauck  
135 West Wells Street, Suite 200  
Milwaukee, WI 53203

- 23) Headings.** The headings used herein are for convenience only.
- 24) Remedies.** Except as otherwise provided herein, in the event of breach of this Agreement, the nonbreaching party shall have all rights and remedies available at law and in equity against the breaching party (including the right to seek specific performance). In the event of breach by Buyer, City may elect to retain the Earnest Money as liquidated damages or as partial offset against damages otherwise occasioned by the breach – which, in the latter case, City may bring suit which includes recovery for remaining damages. Nothing contained herein shall be deemed a waiver or dilution of any right or protection City has at law or in equity – including rights under Wis. Stat. § 893.80.
- 25) Limitation on Further Encumbrances; Existing Condition.** City agrees that, after the Effective Date, and during the pendency of this Agreement, City shall not voluntarily agree to or impose any additional liens, encumbrances, easements, covenants, or restrictions on or against the Property without Buyer’s prior written consent, which shall not be unreasonably withheld, conditioned, or delayed – provided however that Buyer understands that the foregoing does not restrict or prohibit the City or any other governmental entity or agencies from exercising any right available under federal, state, or local law, rule, or regulation. City agrees, during the pendency of this Agreement, and unless otherwise approved in writing by Buyer (Buyer’s approval not to be unreasonably withheld, conditioned, or delayed), to keep the Property in the condition and state that currently exists as of the Effective Date (subject to Buyer’s duties under ¶13 and ¶14 above). Buyer must keep the Property free from any liens or encumbrances being attached to or asserted against the Property by any person or entity furnishing labor, services, or materials to the Property on behalf of, or at the request, or at the direction of Buyer (or by anyone claiming by, through, or under Buyer, or by anyone acting on behalf of, or at the direction of Buyer), and from any liens or encumbrances arising as a result of Buyer’s conduct or failure to act, or as a result of Buyer’s entry rights hereunder. Buyer agrees to indemnify and hold City harmless against any such lien or encumbrance, or claims therefore, being asserted against the Property, and Buyer must, at its expense, promptly discharge and cause the release of any such lien or encumbrance. If Buyer closes on and acquires the Property, Buyer shall be fully responsible for any liens or encumbrances asserted against the Property.
- 26) Extension Fees.** City is entitled to keep all amendment/extension fees that Buyer previously paid under any prior (superceded) agreement between Buyer and City regarding the Property.
- 27) Environmental Insurance Policy.** On or before Closing, Buyer shall inform City if it has or will procure an insurance policy covering pollution liability or environmental risks or hazards (known or unknown) at the Property. If Buyer will, Buyer shall provide City with a copy of any such commitment or policy and, at its expense, Buyer shall require that the City be an additional named insured on any such policy issued and be entitled to 30-days-advance-written notice from the insurer of any cancellation or material amendment of the policy.
- 28) Norb Theine.** In the event of Closing, Buyer agrees to indemnify City and hold City harmless from and against any claim, suit, or damage asserted by or on behalf of Norb Theine (“Norb”) (or by anyone claiming by, through or under Norb), or by Roadrunner Transportation Systems, Inc, or by Roadrunner Transportation Services Holdings, Inc., or by any entity owned or controlled by Norb, concerning or relating, directly or indirectly to, any of (a) the Property, or (b) any dirt piles located at or on the Property.

IN WITNESS WHEREOF, the parties caused this Agreement to be entered into and executed as of the Effective Date first written above.

**CITY:** City of Milwaukee

By: \_\_\_\_\_  
Tom Barrett, Mayor

And By: \_\_\_\_\_  
Ronald D. Leonhardt, City Clerk

COUNTERSIGNED by Comptroller's Office

By: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Council Resolution File No. \_\_\_\_\_

CITY ATTORNEY APPROVAL (MCO § 304-21)

By: \_\_\_\_\_  
Gregg Hagopian, Asst. City Attorney

**Buyer:** Cobalt Partners, LLC

By: \_\_\_\_\_  
Scott Yauck, Sole Manager

**YAUCK**

Yauck individually and personally hereby joins in the execution hereof, expressly agreeing to the terms and conditions, representations and warranties contained herein, agreeing to the personal guaranty required hereunder and agreeing to his duties concerning the mortgage in his personal residence as required hereunder. Notwithstanding anything to the contrary contained herein, the guaranty and mortgage provided by Yauck, and his joining in the signing of this document, are for the sole and limited purpose of guaranteeing payment of the Purchase Price in accordance with and subject to the terms and conditions set forth herein, and for guarantying duties under the Guaranty and mortgage in accordance with their terms and conditions, and for no other purpose whatsoever. Upon payment in full of the Purchase Price, Yauck's



obligation shall terminate and Yauck's guaranty and mortgage immediately shall be terminated and satisfied of record.

**YAUCK:** \_\_\_\_\_  
Scott Yauck

CAO DOC NO 154534 (gh 2-1-2010)

**EXHIBIT A – LEGAL DESCRIPTION OF PROPERTY**

A tract of land lying West of South Pennsylvania Avenue and South of East Layton Avenue, in the Northwest ¼ of Section 27, Town 6 North, Range 22 East, City of Cudahy, County of Milwaukee, State of Wisconsin, more particularly described as follows:

Beginning at the Northeast corner of the Northwest ¼, Section 27; thence South along the East line of said ¼ Section, 2110.31 feet to a point; thence Westward 495.94 feet to a point, being 2105.71 feet South of the North line of said ¼ Section; thence North 2105.71 feet to a point on the North line of said ¼ Section; thence East along the North line of said ¼ Section, 496.17 feet, more or less, to the point of beginning; excepting that part conveyed to Milwaukee County by Quit Claim Deed recorded as Document No. 1672983 and by Warranty Deed recorded as Document No. 5605645, for highway purposes.

Tax Key No. 629-9995-000

Address: 4701 S. Pennsylvania Ave. Also known as 4701-5001 S. Pennsylvania Ave.

**EXHIBIT B – QUIT-CLAIM DEED**

Document No.

**QUIT CLAIM DEED**

**THIS QUIT-CLAIM DEED** is made as of this \_\_\_\_ day of \_\_\_\_\_, 2010, by the CITY OF MILWAUKEE, a Wisconsin municipal corporation, hereinafter called “CITY,” as the Grantor, to COBALT PARTNERS, LLC, hereinafter called “BUYER,” as the Grantee.

**WITNESSETH:**

**Conveyance of Property.** CITY hereby conveys and quit-claims to BUYER, on an “AS-IS, WHERE-IS” basis, with all faults and defects, known or unknown, physical or otherwise, and without representation or warranty, express or implied, all of CITY’s right, title, and interest, whatsoever, in and to the real estate, in the City of Cudahy, County of Milwaukee, State of Wisconsin, described on **EXHIBIT A** attached hereto (the “Property”), together with City’s rights and privileges appurtenant thereto, if any, and the City’s interest, if any, in all strips and gores of land lying adjacent to the Property.

Recording Area

RETURN TO:

Cobalt Partners, LLC  
135 W. Wells St.  
Suite 200  
Milwaukee, WI 53203

Tax Key No.:  
629-9995-000

**IN WITNESS WHEREOF**, the CITY, as Grantor, has caused this Deed to be executed by its duly authorized officer as of the \_\_\_\_ day of \_\_\_\_\_, 2010.

**CITY:** City of Milwaukee

By: \_\_\_\_\_  
Tom Barrett, Mayor

And By: \_\_\_\_\_  
Ronald D. Leonhardt, City Clerk

COUNTERSIGNED by Comptroller's Office

By: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Council Resolution File No. \_\_\_\_\_

CITY ATTORNEY APPROVAL (MCO § 304-21)

By: \_\_\_\_\_

Gregg Hagopian, Asst. City Attorney

**AUTHENTICATION**

Gregg C. Hagopian, as a member in good standing of the State Bar of Wisconsin, hereby authenticates the signatures of Tom Barrett, Ronald Leonhardt, and \_\_\_\_\_ in accordance with Wis. Stat. § 706.06 so this instrument may be recorded per Wis. Stat. § 706.05 (2)(b).

\_\_\_\_\_  
Gregg C. Hagopian, Assistant City Attorney

State Bar No. 1007373

Date of Authentication: \_\_\_\_\_

CAO 154534

**EXHIBIT C**  
**Insurance Requirements - Right of Entry**

Insurance certificates must be sent for inspection and approval prior to entry to: Dan Casanova by facsimile to 286-0395. AND THE CITY MUST BE NAMED AS AN ADDITIONAL INSURED.

<u>TYPE OF INSURANCE</u>	<u>LIMITS</u>
<u>Workers' Compensation</u>	Statutory limits
<u>Employers Liability</u>	
Bodily Injury by Accident	Each Accident \$100,000
Bodily Injury by Disease	Each Employee \$100,000
	Policy Limit \$500,000
<u>Public Liability</u>	
A Comprehensive General or Commercial General Insuring Agreement that provides:	
<u>*Occurrence Coverage*</u>	
Premises/Operations Protection	
Products Completed Operations Protection	
Independent Contractors (owners, contractors protective coverage)	
Contractual Liability for Risks Assumed to of by this Agreement	
 <b>NOTE:</b> If claims made coverage is provided, the policy must be amended so all protected occurrences are covered regardless of when the claim is made.	
 Bodily Injury/Property Damage	Each occurrence \$1,000,000
	General occurrence \$1,000,000
	Products/completed operation aggregate \$2,000,000
 <u>Automobile</u>	
Business Auto Policy that provides:	
Liability coverage for all owned, non-owned and hired vehicles	
Sudden and Accidental Pollution Coverage	
Provide MCS-90 Endorsement when applicable in accordance with the Motor Carrier Act of 1980	
Bodily Injury/Property Damage	Each accident \$1,000,000

Persons performing any testing or sampling work at the Property must also obtain the following coverages:

Professional Liability - should also be "occurrence" coverage Form to include coverage for all loss and expense that

results from errors and omissions of the vendor      Each claim \$1,000,000  
Aggregate \$1,000,000

Underground Storage Tank Insurance

or other coverage against accidental puncturing or  
disruption of tanks, pipelines or other installations.

"Occurrence" coverage to cover claims made at least 4 years after completion of job.

Each occurrence \$1,000,000

Aggregate \$2,000,000

**EXHIBIT D**  
**SIGN-OFF REQUIRED TO ENTER**

\_\_\_\_\_ (herein called "Entrant"), with an address at \_\_\_\_\_, and a phone number of \_\_\_\_\_, wishes to enter 4701-5001 South Pennsylvania Avenue, in the City of Cudahy, Wisconsin (the "Property") at the direction or on behalf of Cobalt Partners, LLC("Buyer") to assist Buyer concerning visual inspection rights under that certain "Agreement for Purchase and Sale" by and between the City of Milwaukee ("City"), and Buyer (the "Agreement") regarding the Property.

Particularly, Entrant wishes to enter onto the Property to:\_\_\_\_\_. ONLY VISUAL INSPECTION IS ALLOWED.

Entrant understands and agrees that:

1. Entry and access to the Property is for the sole purpose of pursuing Buyer's visual inspection rights.
2. The City may require that a City employee, agent, or representative accompany Entrant on the Property.
3. Any Entrant must – prior to entry - provide the City with an insurance certificate with minimum limits as set forth on **Exhibit C** to the Agreement. The City of Milwaukee must be named as an additional insured.
4. Entry is at Entrant's own risk.
5. Entrant may not enter onto the Property unless this "sign-off" is executed by Entrant.
6. Entrant agrees to indemnify and hold City harmless regarding any loss, claim, injury, liability or expense that may befall such person, or that may be asserted against City, directly or indirectly, as a result of entry onto the Property.
7. Buyer is not allowed to disturb the Property, to test, or to take samples. VISUAL INSPECTION ONLY IS ALLOWED. Buyer must, at its expense, restore the Property to the condition that existed prior to entry or occupancy by Buyer or by anyone claiming by, through, or under Buyer (or by anyone entering on behalf or at the direction of, Buyer).

Dated:\_\_\_\_\_

Entrant: \_\_\_\_\_

By:\_\_\_\_\_

Name Printed:\_\_\_\_\_

Title:\_\_\_\_\_

**EXHIBIT E**

**PERSONAL RESIDENCE**

**YAUCK RESIDENCE LOCATED AT:** 8140 North Gray Log Lane, Fox Point, WI 53217.

Fee title held in the names of Scott J. Yauck and Gina L. Yauck

Two mortgages only against Property, both to and held by Wauwatosa Savings Bank. One recorded June 17, 2003 at Document No. 8555099 (original amount \$480,000), and the other recorded June 15, 2004 at Document No. 8804172 (original amount \$100,000).



## EXHIBIT F

### PERSONAL GUARANTY

Scott Yauck ("Yauck") together with his spouse, hereby enters into this Agreement and Guaranty with the City of Milwaukee ("City"), as of this \_\_\_\_\_ day of \_\_\_\_\_, 2010, and hereby agree as follows.

1. For the limited purposes specified therein, Yauck joined in the signing of a certain "Agreement for Purchase and Sale" (the "PASA") between the City and Cobalt Partners, LLC ("Cobalt") concerning the purchase and sale of 4701 S. Pennsylvania Avenue, Cudahy, Wisconsin (the "Property") whereby Cobalt agreed to buy the Property from City for \$1,250,000 (the "Purchase Price").
2. Yauck hereby personally and unconditionally guarantees the full and prompt payment of the Purchase Price (as defined therein). Yauck understands this is a personal obligation and personal debt by him, and that City would not have entered into any transaction with Cobalt without obtaining this Guaranty.
3. Should Cobalt, or anyone claiming by, through, or under Cobalt, or any assignee of, or successor to, Cobalt (whether a permitted assignee or not) (herein collectively called "Cobalt") not pay any part of the Purchase Price to City, when due, then Yauck (including jointly and severally as to Cobalt) agrees to pay to City within five (5) business days of written demand by City (and no later than such time) any such amount owed.
4. Yauck shall be liable to City for any such amount owed, and City shall be free to pursue all rights against any of Yauck and/or Cobalt.
5. Yauck understands that City will also accelerate the total outstanding amount in the event of nonpayment of the Purchase Price (or any part thereof) when due under the PASA. For example, assume Cobalt makes the original payment due at Closing under the PASA of \$416,667.67, but Cobalt does not make the second payment toward the Purchase Price that is due on the first anniversary of Closing. In such case, the debt and then-balance of the Purchase Price shall be fully accelerated and the then-remaining balance of the Purchase Price shall be paid by and guaranteed by Yauck. In such case (again assuming the initial payment of \$416,667.67 was duly and properly paid by Cobalt at Closing), the then full remainder of any part of the Purchase Price not paid would be paid by Yauck for the full amount of \$833,332.33, and that \$833,332.33 would be due and owing within 5 business days of City's written demand therefore.
6. In the event of City written demand for payment hereunder, and if Yauck does not pay within the five (5)-business-day deadline, then the amount owed shall accrue interest on an annual, compounded basis of 10% per year until paid. Yauck shall also be personally liable to City for any such interest, and for costs of collection on this Guaranty, including filing fees and reasonable attorney fees.
7. Yauck's obligations hereunder shall be and are secured by a mortgage in Yauck's personal residence.
8. Yauck's obligations hereunder are unconditional and continuing regardless of the enforceability of Cobalt's obligation, the absence or failure of any effort to collect the Purchase Price from Cobalt, or the amendment, waiver, consent or release with respect to any obligation to pay the Purchase Price.. Yauck hereby waives promptness, diligence, presentment, demand, protest and notice and demand (except for the written demand from City as expressly set forth herein and contemplated hereby).
9. If Cobalt files for any bankruptcy or receivership or other protection from creditors with any court, or if Cobalt shall default with respect to its obligations concerning any debt secured by any mortgage or other security interest in the Property, then Yauck shall provide prompt written notice of such to City, and in the

event of any such filing or of any such default, City shall be entitled to look to Yauck to pay any portion of the Purchase Price not yet paid, and the such amount owed by Cobalt (and the debt and guaranty of Yauck) shall then be deemed immediately accelerated and due and owing in full within five (5) business days of, as the case may be, any such filing or default.

10. Yauck shall cause his spouse to join in and execute this Guaranty and any mortgage securing this Guaranty. Such spouse subjects any marital property interest in any of their assets and in and to their personal residence to this Guaranty and collection hereunder, and to the lien of the mortgage securing this Guaranty.

11. This Guaranty may not be amended or revoked in any way absent an express agreement signed by each of Yauck, his spouse, and City.

12. Upon full payment of the full Purchase Price due to City (and any and all other amounts required under this Guaranty – for example, interest), then, and only in such event, shall Yauck be entitled to a termination of this Guaranty and Satisfaction of Mortgage concerning the personal mortgage in his personal residence, which termination and Satisfaction of Mortgage shall promptly be executed by City and delivered to Yauck for recording by Yauck at his expense.

13. All notices permitted or required hereunder shall be considered given **(i)** upon receipt if hand-delivered by commercial courier or otherwise personally delivered, **(ii)** if sent by facsimile, then the notice must be sent during business hours (i.e. 8:30 A.M to 4:30 P.M., Monday through Friday) on days that City’s City Hall is open for business, and the notice shall be deemed given when sent as per the following and so long as the notice is successfully sent (i.e. the sender does not receive any error or “busy” or “inability to send” notification), and **(iii)** within two business days of depositing same in the U.S. mail, postage-paid, addressed by name and address to the party intended as follows:

**A. If to City:**

Dan Casanova  
Dept. of City Development  
809 North Broadway, 2nd Floor  
Milwaukee, WI 53202  
Fax: 414-286-0395  
Phone: 414-286-5921

With a further copy to:

Gregg Hagopian  
City Attorney’s Office  
800 City Hall  
200 East Wells Street  
Milwaukee, WI 53202  
Fax: 414-286-8550  
Phone: 414-286-2620

**B. If to Yauck:**

Scott Yauck and Gina Yauck

8140 North Gray Log Lane, Fox Point, WI 53217  
(414) 271-5000 (office)  
(414) 271-5001 (fax)  
syauck@cobaltpartnersllc.com

IN WITNESS WHEREOF, the parties caused this Agreement to be entered into and executed as of the Effective Date first written above.

**CITY:** City of Milwaukee

By: \_\_\_\_\_  
Tom Barrett, Mayor

And By: \_\_\_\_\_  
Ronald D. Leonhardt, City Clerk

COUNTERSIGNED by Comptroller's Office

By: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Council Resolution File No. 090879

CITY ATTORNEY APPROVAL (MCO § 304-21)

By: \_\_\_\_\_  
Gregg Hagopian, Asst. City Attorney

**YAUCK:** \_\_\_\_\_  
Scott Yauck

Gina Yauck, Spouse of Scott  
Yauck: \_\_\_\_\_

CAO 154534

**EXHIBIT G**

**YAUCK RESIDENTIAL MORTGAGE**

**(See attached State Bar of Wisconsin Form 21-2003)**

State Bar of Wisconsin Form 21-2003  
**MORTGAGE**

Document Number

Document Name

Scott J. Yauck and Gina L. Yauck

("Mortgagor," whether one or more) mortgages to the City of Milwaukee,  
its successors or assigns ("Mortgagee," whether one or more), to secure  
payment of \$ 833,332.33 evidenced by a note or notes, or other  
obligation ("Obligation"), i.e. the Personal Guaranty dated,  
executed by the City of Milwaukee, Scott Yauck and Gina Yauck

,  
to Mortgagee, and any extensions, renewals and modifications of the Obligation  
and refinancings of any such indebtedness on any terms whatsoever (including  
increases in interest) and the payment of all other sums, with interest, advanced  
to protect the Property and the security of this Mortgage, and all other amounts  
paid by Mortgagee hereunder, the following property, together with all rights  
and interests appurtenant thereto in law or equity, all rents, issue and profits  
arising therefrom, including insurance proceeds and condemnation awards, all  
structures, improvements and fixtures located thereon, in Milwaukee  
County, State of Wisconsin ("Property"):

Lot 6, in North Shore Gardens, being a part of the Southeast ¼ of Section 9,  
Township 8 North, Range 22 East, in the Village of Fox Point, County of  
Milwaukee, State of Wisconsin.

Address: 8140 North Gray Log Lane

Recording Area

Name and Return Address  
Dan Casanova  
Dept. of City Development  
809 North Broadway, 2<sup>nd</sup> Floor  
Milwaukee, WI 53202

058-0006

Parcel Identification Number (PIN)

This is \_\_\_\_\_ homestead property.  
(is) (is not)

This is not \_\_\_\_\_ a purchase money mortgage.  
(is) (is not)

1. **MORTGAGOR'S COVENANTS.**

a. **COVENANT OF TITLE.** Mortgagor warrants title to the Property, except restrictions and easements of record, if any, and further excepting: TWO MORTGAGES TO WAUWATOSA SAVINGS BANK, ONE RECORDED JUNE 17, 2003 AS DOCUMENT NO. 8555099, AND THE OTHER RECORDED JUNE 15, 2004 AS DOCUMENT NO. 8804172.

b. **FIXTURES.** Any property which has been affixed to the Property and is used in connection with it is intended to become a fixture. Mortgagor waives any right to remove such fixture from the Property which is subject to this Mortgage.

c. **TAXES.** Mortgagor promises to pay when due all taxes and assessments levied on the Property or upon Mortgagee's interest in it and to deliver to Mortgagee on demand receipts showing such payment.

d. **INSURANCE.** Mortgagor shall keep the improvements on the Property insured against loss or damage occasioned by fire, extended coverage perils and such other hazards as Mortgagee may require, without co-insurance, through insurers approved by Mortgagee, in the amount of the full replacement value of the improvements on the Property. Mortgagor shall pay the insurance premiums when due. The policies shall contain the standard mortgage clause in favor of Mortgagee, and evidence of all policies covering the Property shall be provided to Mortgagee. Mortgagor shall promptly give notice of loss to insurance companies and Mortgagee. Unless Mortgagor and Mortgagee

otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided Mortgagee deems the restoration or repair to be economically feasible.

e. **OTHER COVENANTS.** Mortgagor covenants not to commit waste nor suffer waste to be committed on the Property, to keep the Property in good condition and repair, to keep the Property free from future liens superior to the lien of this Mortgage and to comply with all laws, ordinances and regulations affecting the Property. Mortgagor shall pay when due all indebtedness which may be or become secured at any time by a mortgage or other lien on the Property superior to this Mortgage and any failure to do so shall constitute a default under this Mortgage.

2. **DEFAULT AND REMEDIES.** Mortgagor agrees that time is of the essence with respect to payment of principal and interest when due, and in the performance of the terms, conditions and covenants contained herein or in the Obligation secured hereby. In the event of default, Mortgagee may, at its option, declare the whole amount of the unpaid principal and accrued interest due and payable, and collect it in a suit at law or by foreclosure of this Mortgage or by the exercise of any other remedy available at law or equity. If this Mortgage is subordinate to a superior mortgage lien, a default under the superior mortgage lien constitutes a default under this Mortgage.

3. **NOTICE.** Unless otherwise provided in the Obligation secured by this Mortgage, prior to any acceleration (other than under paragraph 9, below) Mortgagee shall mail notice to Mortgagor specifying: (a) the default; (b) the action required to cure the default; (c) a date, not less than 15 days from the date the notice is mailed to Mortgagor by which date the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration.

4. **EXPENSES AND ATTORNEY FEES.** In case of default, whether abated or not, all costs and expenses, including, but not limited to, reasonable attorney fees, to the extent not prohibited by law shall be added to the principal, become due as incurred, and in the event of foreclosure be included in the judgment.

5. **FORECLOSURE WITHOUT DEFICIENCY.** Mortgagor agrees to the provisions of Sections 846.101 and 846.103, Wis. Stats., as may apply to the Property and as may be amended, permitting Mortgagee in the event of foreclosure to waive the right to judgment for deficiency and hold the foreclosure sale within the time provided in such applicable Section.

6. **RECEIVER.** Upon default or during the pendency of any action to foreclose this Mortgage, Mortgagor consents to the appointment of a receiver of the Property, including homestead interest, to collect the rents, issues and profits of the Property during the pendency of such an action, and such rents, issues and profits when so collected shall be held and applied as the court shall direct.

7. **WAIVER.** Mortgagee may waive any default without waiving any other subsequent or prior default by Mortgagor.

8. **MORTGAGEE MAY CURE DEFAULTS.** In the event of any default by Mortgagor of any kind under this Mortgage or any Obligation secured by this Mortgage, Mortgagee may cure the default and all sums paid by Mortgagee for such purpose shall immediately be repaid by Mortgagor with interest at the rate then in effect under the Obligation secured by this Mortgage and shall constitute a lien upon the Property.

9. **CONSENT REQUIRED FOR TRANSFER.** Mortgagor shall not transfer, sell or convey any legal or equitable interest in the Property (by deed, land contract, option, long-term lease or in any other way) without the prior written consent of Mortgagee, unless either the indebtedness secured by this Mortgage is first paid in full or the interest conveyed is a mortgage or other security interest in the Property, subordinate to the lien of this Mortgage. The entire indebtedness under the Obligation secured by this Mortgage shall become due and payable in full at the option of Mortgagee without notice, which notice is hereby waived, upon any transfer, sale or conveyance made in violation of this paragraph. A violation of the provisions of this paragraph will be considered a default under the terms of this Mortgage and the Obligation it secures.

10. **ASSIGNMENT OF RENTS.** Mortgagor hereby transfers and assigns absolutely to Mortgagee, as additional security, all rents, issues and profits which become or remain due (under any form of agreement for use or occupancy of the Property or any portion thereof), or which were previously collected and remain subject to Mortgagor's control following any default under this Mortgage or the Obligation secured hereby and delivery of notice of exercise of this assignment by Mortgagee to the tenant or other user(s) of the Property in accordance with the provisions of Section 708.11, Wis. Stats., as may be amended. This assignment shall be enforceable with or without appointment of a receiver and regardless of Mortgagee's lack of possession of the Property.

11. **ENVIRONMENTAL PROVISION.** Mortgagor represents, warrants and covenants to Mortgagee that (a) during the period of Mortgagor's ownership or use of the Property no substance has been, is or will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about the Property in a form, quantity or manner which if known to be present on, under, in or about the Property would require clean-up, removal or other remedial action ("Hazardous Substance") under any federal, state or local laws, regulations, ordinances, codes or rules ("Environmental Laws"); (b) Mortgagor has no knowledge, after due inquiry, of any prior use or existence of any Hazardous Substance on the Property by any prior owner of or person using the Property; (c) without limiting the generality of the foregoing, Mortgagor has no knowledge, after due inquiry, that the Property contains asbestos, polychlorinated biphenyl components ("PCBs") or underground storage tanks; (d) there are no conditions existing currently or likely to exist during the term of this Mortgage which would subject Mortgagor to any damages, penalties, injunctive relief or clean-up costs in any governmental or regulatory action or third-party claims relating to any Hazardous Substance; (e) Mortgagor is not subject to any court or administrative proceeding, judgment, decree, order or citation relating to any Hazardous Substance; and (f) Mortgagor in the past has been, at the present is and in the future will remain in compliance with all Environmental Laws. Mortgagor shall indemnify and hold harmless Mortgagee from all loss, cost (including reasonable attorney fees and legal expenses), liability and damage whatsoever directly or indirectly resulting from, arising out of or based upon (i) the presence, use, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, (ii) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, storage, deposit, treatment, recycling or disposal of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property, or (iii) the imposition of any governmental lien for the recovery of environmental clean-up costs expended under any Environmental Law. Mortgagor shall immediately notify Mortgagee in writing of any governmental or regulatory action or third-party claim instituted or threatened in connection with any Hazardous Substance on, in, under or about the Property.

12. ~~**SECURITY INTEREST ON FIXTURES.** To further secure the payment and performance of the Obligation, Mortgagor hereby grants to Mortgagee a security interest in:~~

**CHOOSE ONE OF THE FOLLOWING OPTIONS; IF NEITHER IS CHOSEN, OPTION A SHALL APPLY:**

~~All fixtures and personal property located on or related to the operations of the Property whether now owned or hereafter acquired.~~

B. ~~All property listed on the attached schedule.~~

~~This Mortgage shall constitute a security agreement within the meaning of the Uniform Commercial Code with respect to those parts of the Property indicated above. This Mortgage constitutes a fixture filing and financing statement as those terms are used in the Uniform Commercial Code. This Mortgage is to be filed and recorded in the real estate records of the county in which the Property is located, and the following information is included: (1) Mortgagor shall be deemed the "debtor"; (2) Mortgagee shall be deemed to be the "secured party" and shall have all of the rights of a secured party under the Uniform Commercial Code; (3) this Mortgage covers goods which are or are to become fixtures; (4) the name of the record owner of the land is the debtor; (5) the legal name and address of the debtor are \_\_\_\_\_~~

~~(6) the state of organization and the organizational identification number of the debtor (if applicable) are \_\_\_\_\_~~

~~(7) the address of the secured party is \_\_\_\_\_ ; and~~

13. **SINGULAR; PLURAL.** As used herein, the singular shall include the plural and any gender shall include all genders.

14. **JOINT AND SEVERAL/LIMITATION ON PERSONAL LIABILITY.** The covenants of this Mortgage set forth herein shall be deemed joint and several among Mortgagors, if more than one. Unless a Mortgagor is obligated on the Obligation secured by this Mortgage, Mortgagor shall not be liable for any breach of covenants contained in this Mortgage.

15. **INVALIDITY.** In the event any provision or portion of this instrument is held to be invalid or unenforceable, this shall not impair or preclude the enforcement of the remainder of the instrument.

16. **MARITAL PROPERTY STATEMENT.** Any individual Mortgagor who is married represents that the obligation evidenced by this instrument was incurred in the interest of Mortgagor's marriage or family.

Dated \_\_\_\_\_.

\_\_\_\_\_(SEAL)\_\_\_\_\_(SEAL)  
\*Scott J. Yauck \*Gina L. Yauck

\_\_\_\_\_(SEAL)\_\_\_\_\_(SEAL)  
\* \_\_\_\_\_ \*

**AUTHENTICATION**

**ACKNOWLEDGMENT**

Signature(s) \_\_\_\_\_  
\_\_\_\_\_  
authenticated on \_\_\_\_\_.

STATE OF WISCONSIN )  
 ) ss.  
\_\_\_\_\_ COUNTY )

\_\_\_\_\_  
\*  
TITLE: MEMBER STATE BAR OF WISCONSIN  
(If not, \_\_\_\_\_  
authorized by Wis. Stat. § 706.06)

Personally came before me on \_\_\_\_\_,  
the above-named \_\_\_\_\_  
to me known to be the person(s) who executed the  
foregoing instrument and acknowledged the same.

THIS INSTRUMENT DRAFTED BY:  
  
Scott J. Yauck  
\_\_\_\_\_  
\_\_\_\_\_

\* \_\_\_\_\_  
Notary Public, State of Wisconsin  
My Commission (is permanent) (expires: \_\_\_\_\_)

(Signatures may be authenticated or acknowledged. Both are not necessary.)

NOTE: THIS IS A STANDARD FORM. ANY MODIFICATIONS TO THIS FORM SHOULD BE CLEARLY IDENTIFIED.

MORTGAGE

STATE BAR OF WISCONSIN

FORM NO. 21-2003

\* Type name below signatures.



# CITY OF MILWAUKEE FISCAL NOTE

A) DATE February 17, 2010

FILE NUMBER: 090879

Original Fiscal Note  Substitute

SUBJECT: Substitute resolution approving a Second Restated Agreement for Purchase and Sale of the surplus City-owned property at 4701-5001 South Pennsylvania Avenue in the City of Cudahy between the City of Milwaukee and Cobalt Partners, LLC.

B) SUBMITTED BY (Name/title/dept./ext.): Rocky Marcoux, Commissioner, Department of City Development

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:	Purchase and Sale Agreement	General Fund		\$1,250,000 (less marketing and closing expenses and a 30% disposition cost reimbursement to RACM)	
<b>TOTALS</b>				\$1,250,000	

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:

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H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

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PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE



Legislation Details (With Text)

**File #:** 091406      **Version:** 0

**Type:** Resolution      **Status:** In Committee

**File created:** 2/9/2010      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** Resolution facilitating the third phase of housing development by United Methodist Children’s Services of Wisconsin, Inc. in the vicinity of 38th and Lisbon by approving the blight designation and acquisition of seven City-owned vacant lots by the Redevelopment Authority and authorizing conveyance of these lots and properties owned or being acquired by the Redevelopment Authority to the Redeveloper, in the 15th Aldermanic District.

**Sponsors:** ALD. HINES JR.

**Indexes:** BLIGHT DECLARATION, BLIGHTED PROPERTY ACQUISITION, CITY PROPERTY, REDEVELOPMENT AUTHORITY

**Attachments:** Blight Designation Summary & Land Disposition Report.pdf, Fiscal Note.pdf, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
2/9/2010	0	COMMON COUNCIL	ASSIGNED TO		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

**Number**

091406

**Version**

ORIGINAL

**Reference****Sponsor**

ALD. HINES

**Title**

Resolution facilitating the third phase of housing development by United Methodist Children's Services of Wisconsin, Inc. in the vicinity of 38th and Lisbon by approving the blight designation and acquisition of seven City-owned vacant lots by the Redevelopment Authority and authorizing conveyance of these lots and properties owned or being acquired by the Redevelopment Authority to the Redeveloper, in the 15th Aldermanic District.

**Analysis**

Adoption of this resolution by at least two-thirds vote of the Common Council of the City of Milwaukee will approve the blight designation and acquisition of said properties by the Redevelopment Authority of the City of Milwaukee utilizing the procedures set forth in Section 66.1333, Wisconsin Statutes, and will authorize subsequent conveyance of these and Authority-owned properties to a Redeveloper according to the conditions in a Blight Designation Summary and Land Disposition Report.

**Body**

Whereas, United Methodist Children's Services of Wisconsin, Inc. ("UMCS") has proposed a third phase to its housing development efforts in the Washington Park neighborhood and has offered to acquire properties recently acquired or being acquired by the Redevelopment Authority of the City of Milwaukee ("Authority") and several City-owned vacant lots in the area of North 38th Street and West Lisbon Avenue; and

Whereas, The City-owned properties should be owned by the Authority to facilitate preparation of sale documents; and

Whereas, Section 66.1333(5)(c), Wisconsin Statutes, as amended, enables the Authority with the approval of the Common Council of the City of Milwaukee ("Council") to acquire blighted property without designating a boundary or adopting a redevelopment plan; and

Whereas, The Authority proposes to acquire the City-owned vacant lots at 3800 and 3810-14 West Lisbon Avenue, 1925-27 and 1957-59 North 38th Street and 1934-38 North 39th Street and to convey these properties and the Authority properties at 1918-24 North 39th Street for UMCS Phase III as summarized in a Blight Designation Summary and Land Disposition Report, a copy of which is attached to this Common Council File; and

Whereas, The City waived its right to the statutory hearing notice and a public hearing on the proposed blight designations was conducted on February 18, 2010 by the Authority pursuant to Wisconsin Statutes; and

Whereas, After the public hearing, the Authority determined the properties to be blighted within the meaning of Section 66.1333(4)(bm), Wisconsin Statutes, as summarized in the Blight Designation Summary and Land Disposition Report, and requested approval of these acquisitions by the Council; and

Whereas, After acquisition, the Authority desires to convey these lots and properties it owns or is acquiring at 1918-26 North 39th Street to UMCS for Phase III of its housing efforts; and

Whereas, Pursuant to Wisconsin Statutes, the Blight Designation Summary and Land Disposition Report and the public hearing conducted on February 18, 2010, concurrently addressed the disposition of the properties; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that it is found, determined and reaffirmed that:

1. The properties at 3800 and 3810-14 West Lisbon Avenue, 1925-27 and 1957-59 North 38th Street and 1934-38 North 39th Street are blighted within the meaning of Section 66.1333 (4) (bm), Wisconsin Statutes, as amended.

2. The objectives of the Authority cannot be achieved solely through rehabilitation of these properties; and, be it

Further Resolved, That the acquisition of these properties is approved and the Council:

1. Pledges its cooperation in helping to carry out these acquisitions.

2. Directs that no new construction shall be permitted or authorized at these properties by any agencies, boards or commissions of the City under local codes or ordinances unless as authorized by the Council under Section 66.1333(6) (e), Wisconsin Statutes.

3. Directs the various public officials, departments, boards and agencies of the City having administrative responsibilities in the premises likewise to cooperate to such end and to exercise their respective functions and powers in a manner consistent with the objectives of these acquisitions.

4. Stands ready to consider and take appropriate action upon proposals and measures designed to effectuate these acquisitions; and, be it

Further Resolved, That the Commissioner of the Department of City Development ("DCD"), or designee, is authorized to convey the City-owned vacant lots to the Authority for no monetary consideration; and, be it

Further Resolved, That the Blight Designation Summary and Land Disposition Report, with respect to the proposed sale of the properties to UMCS, or assigns, is approved; and, be it

Further Resolved, That if any lots are encumbered by City deed restrictions that prohibit construction, require use as green space or prohibit division and/or combination, the Commissioner of DCD, or designee, is authorized to execute Release of Deed Restrictions so that clear title may be granted to the Redeveloper; and, be it

Further Resolved, That the proper City officials are authorized to execute an Emerging Business Enterprise Agreement with the Redeveloper; and, be it

Further Resolved, That the sale proceeds, less sale expenses and a 30 percent expense reimbursement to the Authority, shall be deposited with the Community Development Grants Administration.

**Drafter**

DCD-Redevelopment Authority

EMM:bmm

02/09/10/B

**BLIGHT DESIGNATION SUMMARY & LAND DISPOSITION REPORT  
REDEVELOPMENT AUTHORITY AND  
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

**DATE**

February 18, 2010

**PROPOSED ACTIVITY**

Declare six City-owned vacant lots in the vicinity of 38<sup>th</sup>-39<sup>th</sup> & Lisbon blighted for acquisition and conveyance of these and three Authority-controlled properties for development of Phase III of United Methodist Children's Services housing efforts. The City and Authority properties should be under common ownership to facilitate document preparation.

**NEIGHBORHOOD**

Washington Park: An area plan was adopted as an element of the City's comprehensive plan in June 2006. The plan outlined strategies for strengthening community housing and specifically identified expansion by United Methodist Children's Services as a catalytic project.



- RACM owned or controlled
- City lots to be declared blighted and conveyed to RACM
- ✱ Possible future tax foreclosures

**REDEVELOPER**

United Methodist Children's Services of Wisconsin, a non-profit corporation created in 1962 to assist pregnant teenagers, will create and be the managing member of a limited liability company that will develop the project. UMCS has refined its mission over the years and provides a variety of family services and housing opportunities. In 2009, UMCS completed its addition to its office/apartment at 3940 West Lisbon Avenue to provide 24 additional affordable housing units for families with children and community serving space. This facility also included a family resource center (food and clothing banks), a fitness center and computer lab. In 2007, UMCS completed three side-by-side duplexes to provide more traditional family housing. Perry Huyck is Executive Director of UMCS.

**PARCEL ADDRESSES & DESCRIPTION**

City-owned lots: 3800 & 3810-14 West Lisbon to be assembled with UMCS property at 3806-08 West Lisbon to create a 19,241 SF multi-family building site.  
1925-27 & 1957-59 North 38<sup>th</sup>, two building sites with 6,504 SF and 3,600 SF, respectively.

1934-36 and 1938 North 39<sup>th</sup>, one building site containing 7,200 SF.  
 Tax foreclosure of the lot at 1942-44 North 39<sup>th</sup> may be pursued by City staff.  
 The City lots meet the statutory definition of "blight" because of the small lot size, irregular lot platting and vacant status, all of which interfere with the sound development of the neighborhood and the City.

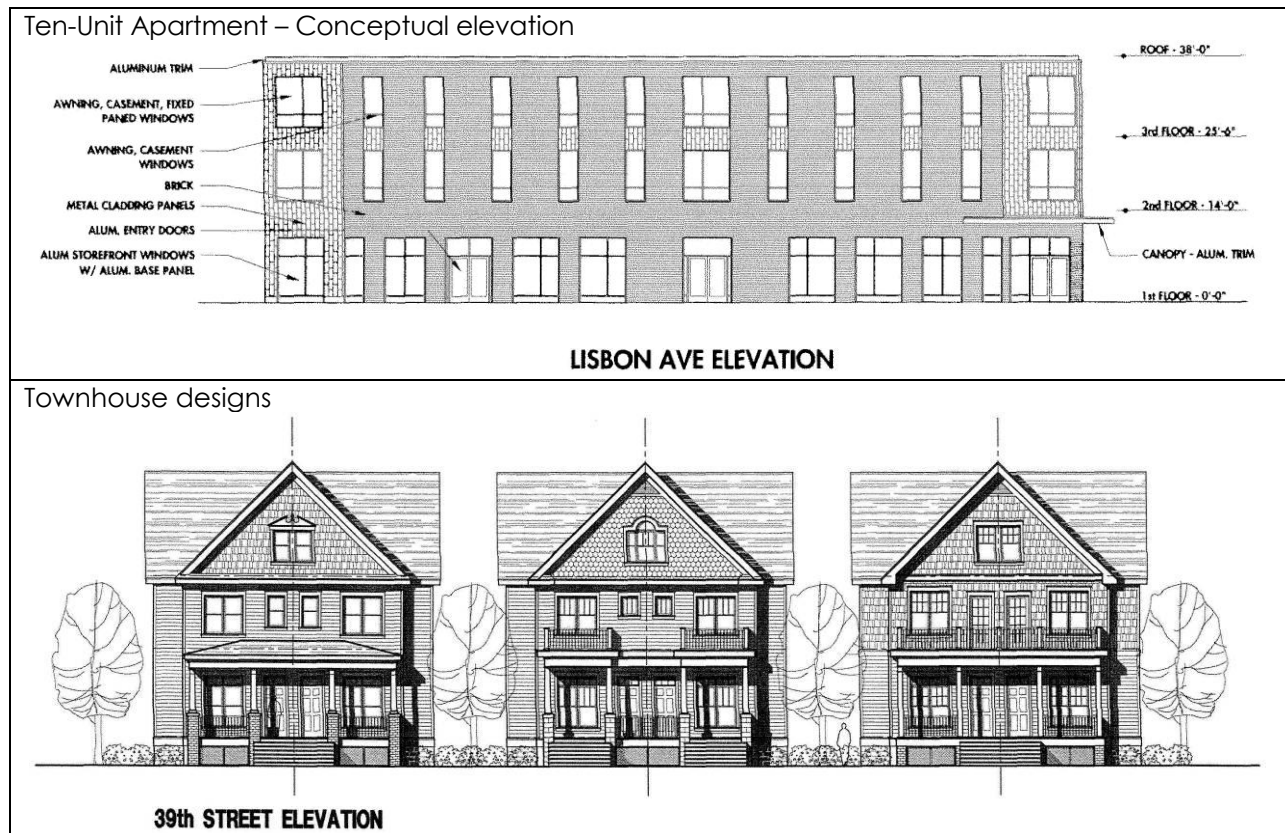
Authority property:

1918, 1924 and 1926 North 39<sup>th</sup>, creating a 12,324 SF site.  
 The duplex/garage at 1918 North 39<sup>th</sup> is currently being acquired. The duplex at 1922-24 North 39<sup>th</sup> and the adjacent lot were acquired in 2009 by the Authority.

**PROJECT DESCRIPTION**

UMCS Phase III will consist of a 10-unit apartment building at 38<sup>th</sup> & Lisbon and seven side-by-side two-unit townhomes on 38<sup>th</sup> & 39<sup>th</sup> Street. As with previous phases, these buildings will focus on family housing, for some families from UMCS's transitional living program. All residents can take advantage of UMCS's family support services such as case management, certified child care, family resource center (food and clothing pantry), computer lab and fitness facility that are located in the recently completed expansion building.

The apartment and townhouse design by Engberg Anderson Design Partnership, which designed Phases I and II, will complement the Washington Park neighborhood and UMCS's other properties. The duplexes will use the same design used by UMCS in Phase I, but will have slight style variations to distinguish each unit. Each townhouse will have three bedrooms, two baths and a detached garage. The three-story apartment will have four two-bedroom and six three-bedroom units, have a full basement will contain about 18,000 SF and will provide 16 surface parking spaces. The project targets families with household incomes that are 50% to 60% of the county median and are expected to rent for about \$650 to \$800 per month.



Total costs are approximately \$5.4 million and will be financed in part through affordable housing tax credits administered by WHEDA or by another WHEDA financing product. The Redeveloper projects EBE participation of 25%, but has achieved much higher EBE rates at past projects.

**OPTION TERMS AND CONDITIONS**

The purchase price will be \$4,500, which is \$500 per lot. Conveyance will be on an "as is, where is" basis, but the Authority will provide a Phase I environmental site assessment for the Lisbon Avenue commercially zoned properties. A financial feasibility credit may be granted by the Commissioner at closing based on demonstrated hardship. A \$250 Option Fee will be required and will be credited toward the purchase price. A \$1,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project. Sale proceeds, less sale expenses and a 30% fee to the Redevelopment Authority, will be deposited in the Reserve For Tax Deficit Fund.

The option period is designed for flexibility over two years to allow multiple WHEDA tax-credit applications in the event the project does not receive a 2010 allocation. The base option is six months to allow the Redeveloper time to submit a 2010 tax-credit application to WHEDA. When tax credits are allocated, the option will be automatically extended until March 31, 2011 to allow the Redeveloper to sell the credits to raise equity and obtain financing. If the Redeveloper requires additional time to obtain financing or final plans, the Executive Director may extend the option for a six-month period upon submission of a \$500 non-refundable renewal fee and satisfactory progress report on the project. If the Redeveloper does not receive a 2010 allocation, the option is extended until March 31, 2011 to allow for a second tax credit application or to enable the Redeveloper to use a different WHEDA funding mechanism. If the Redeveloper fails to make any required submissions to WHEDA, the option may be cancelled immediately by the Executive Director.

In the event that the City acquires additional property in the target block through tax foreclosure, the lots may be transferred to the Redevelopment Authority for inclusion in the Option to Purchase for the project without additional consideration by the Council and/or Redevelopment Authority.

# CITY OF MILWAUKEE FISCAL NOTE

A) **DATE** February 9, 2010

**FILE NUMBER:** \_\_\_\_\_

Original Fiscal Note  Substitute

**SUBJECT:** Resolution facilitating the third phase of housing development by United Methodist Children's Services of Wisconsin, Inc. in the vicinity of 38th and Lisbon by approving the blight designation and acquisition of seven City-owned vacant lots by the Redevelopment Authority and authorizing conveyance of these lots and properties owned or being acquired by the Redevelopment Authority to the Redeveloper, in the 15th Aldermanic District.

B) **SUBMITTED BY (Name/title/dept./ext.):** David P. Misky, Assistant Executive Director-Secretary

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
<b>SALARIES/WAGES:</b>					
<b>SUPPLIES:</b>					
<b>MATERIALS:</b>					
<b>NEW EQUIPMENT:</b>					
<b>EQUIPMENT REPAIR:</b>					
<b>OTHER:</b>	Option to Purchase	Community Development Grants Administration		\$4,500 (less sale expenses and a 30% expense reimbursement to RACM)	
<b>TOTALS</b>				\$4,500	

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:**

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H) **COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:**

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PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE







## Legislation Details (With Text)

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**File #:** 091366      **Version:** 0

**Type:** Resolution      **Status:** In Committee

**File created:** 2/9/2010      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** Resolution accepting the proposal submitted by Earnest Pruitt, doing business as Pruco Services, LLC, to purchase the City-owned, tax-deed property at 3600-02 West Lisbon Avenue, in the 15th Aldermanic District.

**Sponsors:** ALD. HINES JR.

**Indexes:** CITY PROPERTY, LAND DISPOSITION REPORTS, PROPERTY SALES

**Attachments:** Land Disposition Report.pdf, Fiscal Note.pdf, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
2/9/2010	0	COMMON COUNCIL	ASSIGNED TO		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

**Number**

091366

**Version**

ORIGINAL

**Reference****Sponsor**

ALD. HINES

**Title**

Resolution accepting the proposal submitted by Earnest Pruitt, doing business as Pruco Services, LLC, to purchase the City-owned, tax-deed property at 3600-02 West Lisbon Avenue, in the 15th 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, Earnest Pruitt desires to help rebuild the community and has submitted an unsolicited offer to purchase the City-owned, tax-deed property at 3600-02 West Lisbon Avenue for his business office and rental housing as summarized in a Land Disposition Report, a copy of which is attached to this Common Council File; and

Whereas, The Washington Park neighborhood will benefit from increased commercial activity; 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 redevelopment represents fair compensation to the City in terms of the offering price and investment in the neighborhood; and

Whereas, DCD recommends sale of this Development Property with closing contingent on DCD approval of final building plans and firm financing; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the proposal submitted by Earnest Pruitt for the property at 3600-02 West Lisbon Avenue is accepted; and, be it

Further Resolved, That the Commissioner of DCD, or designee, is authorized to execute an Option to Purchase, Agreement for Sale, deed and other legal documents on behalf of the City and to close the transaction according to the terms of the Land Disposition Report, conditioned on DCD approval of final building plans and firm financing; and, be it

Further Resolved, That the net sale proceeds, less sale expenses and a 30 percent development fee paid to the Redevelopment Authority of the City of Milwaukee, shall be returned to the Reserve For Tax Deficit Fund.

**Drafter**

DCD/Real Estate

KT:kt

02/09/10/A

# LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

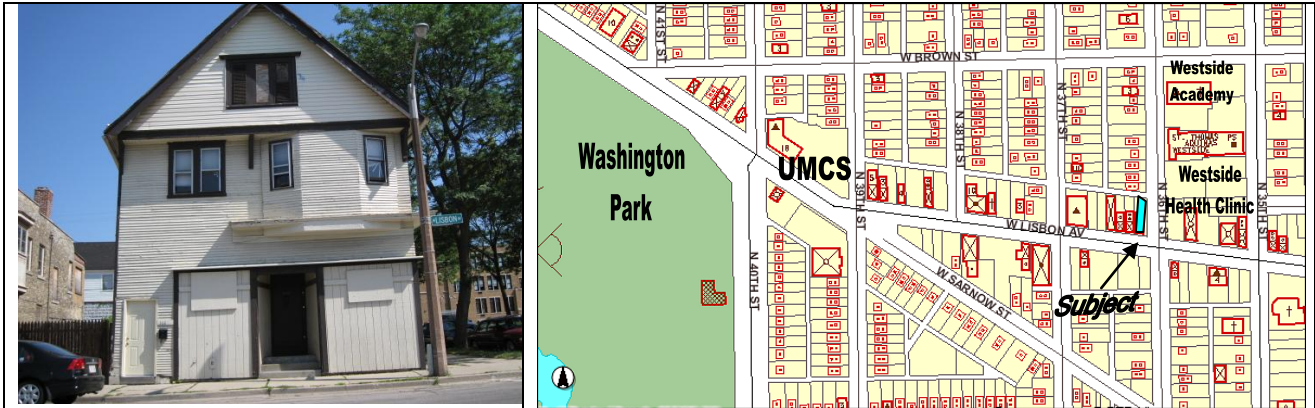
## DATE

February 9, 2010

## PROPERTY

3600-02 West Lisbon Avenue: A two-story clapboard building containing 3,128 SF plus a full basement. Built in 1907, the ground floor has 808 SF of commercial space and an 833 SF residential unit. The second floor has two residential units containing 833 SF and 664 SF. The building is situated on a 4,841 SF corner lot that features a two-car detached garage with access off of 36<sup>th</sup> Street.

The property is in the Washington Park Planning Area. The project will contribute to redevelopment on Lisbon Avenue that includes the recent expansion by United Methodist Children's Services and the proposed redevelopment of the Westside Health Clinic.



## BUYER

Earnest Pruitt, a general contractor, DBA Pruco Services, LLC. Mr. Pruitt has been rehabilitating housing in Milwaukee for over 20 years. He has been working with Washington Park Partners, LISC and ACTS Community Development Corporation on a location for his business.

## PROPERTY USE

Rehabilitation as a general contractor business office for appointment scheduling, business meetings and material storage. The existing residential units will be remodeled for three residential rental units. Building rehabilitation will include restoring the storefronts in a manner appropriate for Lisbon Avenue.

Total investment is estimated at \$31,250. The owner will perform many renovation activities as sweat equity in the project. During construction, the buyer expects to provide training opportunities for three to five area residents.



Conceptual rendering of building renovation

**OFFER TERMS AND CONDITIONS**

The purchase price is \$5,000. The City will conduct a Land Use Investigation report. A \$1,500 option fee is required to be submitted after Common Council approval and will be credited toward the purchase price if the buyer closes prior to expiration of the first option period.

The base option term is for six months commencing on the date of Common Council approval. The option may be extended by the Commissioner of the Department of City Development for up to two, three-month periods upon submission of a satisfactory progress report on the buyer's efforts to obtain final plans, financing and payment of a \$250 renewal fee for each request.

Prior to or at closing, the buyer also will be required to obtain DCD approval of final construction plans and financing, execute an Agreement for Sale and submit a \$1,000 Performance Deposit, which will be held until satisfactory completion of the project. The deed of conveyance will contain a restriction prohibiting application to the City for tax-exempt property status. A 30% development fee shall be paid to the Redevelopment Authority and the remaining proceeds shall be returned to the Reserve For Tax Deficit Fund.

**PAST ACTIONS**

Prior to marketing the property, DCD received the unsolicited offer. DCD staff recommends acceptance of the offer given the limited demand for commercial property is the current market and because of the buyer's relationships with community partners.

**FUTURE ACTIONS**

Upon approval by the Common Council, the City will close the transaction after DCD approval of final plans and financing and according to the terms in this report.

# CITY OF MILWAUKEE FISCAL NOTE

A) DATE 02/09/10

FILE NUMBER: \_\_\_\_\_

Original Fiscal Note  Substitute

SUBJECT: Resolution accepting the proposal submitted by Earnest Pruitt, doing business as Pruco Services, LLC, to purchase the City-owned, tax-deed property at 3600-02 West Lisbon Avenue, in the 15th Aldermanic District.

B) SUBMITTED BY (Name/title/dept./ext.): Rocky Marcoux, Commissioner, Department of City Development

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:	Offer to Purchase	0001-334106		\$5,000 (less sale expenses & a 30% development fee to RACM)	
<b>TOTALS</b>				\$5,000	

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:

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H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

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PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE





## Legislation Details (With Text)

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**File #:** 091358      **Version:** 1

**Type:** Resolution      **Status:** In Committee

**File created:** 2/9/2010      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** Substitute resolution relating to the allocation of funds from the Housing Trust Fund.

**Sponsors:** THE CHAIR

**Indexes:** COMMUNITY BLOCK GRANT ADMINISTRATION, HOUSING TRUST FUND

**Attachments:** Cover Letter, Attachment A, Fiscal Note, Fiscal Analysis, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
2/9/2010	0	COMMON COUNCIL	ASSIGNED TO		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/17/2010	1	CITY CLERK	DRAFT SUBMITTED		



Number

091358

Version

SUBSTITUTE 1

Reference

Sponsor

ALD. MURPHY

Title

Substitute resolution relating to the allocation of funds from the Housing Trust Fund.

Analysis

As authorized by the City of Milwaukee's Housing Trust Fund Advisory Board, the Community Development Grants Administration released Requests for Proposals for affordable housing projects in September 2008. Based upon funding applications submitted by the October 19, 2009 deadline, the Advisory Board is recommending the Common Council approve funding 5 projects totaling \$818,395 from the Housing Trust Fund - Capital Improvement Account.

Body

Whereas, On November 14, 2006, the City of Milwaukee Common Council adopted File Number 041537, an ordinance relating to the establishment, operation and funding of a City of Milwaukee Housing Trust Fund; and

Whereas, On September 26, 2006, the Common Council adopted File Number 060071, a resolution relating to the recommendations of the Milwaukee Housing Trust Fund Task Force for the operation and funding of a Housing Trust Fund, which included provisions that Housing Trust Fund dollars should be allocated in 3 categories: housing and services for persons who are homeless, development or rehabilitation of affordable rental housing, and creation or maintenance of home ownership activities; and

Whereas, As authorized by the Housing Trust Fund Advisory Board, the Community Development Grants Administration (CDGA) released Request-for-Proposals in October, 2009 for the categories of Homelessness (\$240,563), Rental (\$336,788) and Homeownership (\$240,563) and Other Needs as Identified (\$144,336) for a total amount available of \$962,250. CDGA received 14 funding requests by the October 19, 2009 deadline; and

Whereas, CDGA staff and the Housing Trust Fund Advisory Board's Technical Review Subcommittee both reviewed the funding applications, and recommended funding 5 projects totaling \$818,395 to the Advisory Board, and

Whereas, On February 11, 2010, the Advisory Board approved the recommendation to fund the 5 projects totaling \$818,395 as listed in Attachment A; and

Whereas, In accordance with Section 316-5-2-a and b of the Milwaukee Code of Ordinances relating to the duties of the Housing Trust Fund Advisory Board, the Advisory Board is recommending to the Common Council approval of the allocation of \$818,395 for the 5 projects listed in Attachment A; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the award of \$818,395 from the Housing Trust Fund Account (Capital Improvement Fund Account Number 0339 9990 R999 UR04407000A) to the 5 organizations and projects listed in Attachment A is approved, with a remaining balance remain in the Housing Trust Fund account; and, be it

Further Resolved, That each organization so awarded shall comply with the Housing Trust Fund Advisory Board's policies and procedures; and, be it

Further Resolved, That each of these Housing Trust Fund awards are subject to the successful negotiations of the term sheet with the City of Milwaukee; and, be it

Further Resolved, That upon the agreement of the term sheet, CDGA is hereby authorized to execute contracts for the awards as listed on Attachment A.

Requestor

Drafter

CDGA-HsgTrust-2010

02/15/10

TO: The Honorable, Common Council  
City of Milwaukee

FROM: Steven L. Mahan  
Block Grant Director

DATE: February 02, 2010

RE: Title Only Resolution for Introduction

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Attached is a Title only resolution for the 2010 Housing Trust Fund allocation that seeks the approval from the Common Council.

If you have any questions please call Darlene Hayes at extension 3844.

Attachment

**HOUSING TRUST FUND RECOMMENDATIONS  
ATTACHMENT A**

<u>Organization Name</u>	<u>Project Name/ Location</u>	<u>Requested Amount</u>	<u>Hsg Trust Advisory Board Tech Cmmtee Recomm</u>	<u>Hsg Trust Board Recomm</u>
<b><u>HOMELESSNESS - (Amount Available \$240,563)</u></b>				
Retrieving Family Value Homeless Shelter	Retrieving Family Value Homeless Shelter	250,000	0	0
		<u>250,000</u>	<u>0</u>	<u>0</u>
<b><u>RENTAL - (Amount Available \$336,788)</u></b>				
Center for Veterans Issues, Ltd.	Veteran Manor	336,790	168,395	168,395
Heartland Housing, Inc.	2500 W. Fond du Lac Avenue	300,000	150,000	150,000
Hedwig House, Inc.	Hedwig House, Inc.	65,000	0	0
Layton Blvd. West Neighbors	Silver City Townhomes	150,000	0	0
Northwest Side CDC	Villard Square Family Housing	481,120	0	0
Our Space Inc.	Empowerment Village (1527 W. National Ave)	750,000	375,000	375,000
United Methodist Children's Services	UMCS Phase III	240,000	0	0
		<u>2,322,910</u>	<u>693,395</u>	<u>693,395</u>
<b><u>HOMEOWNERSHIP - (Amount Available \$240,563)</u></b>				
Layton Blvd. West Neighbors	Turnkey Renovation Program	20,000	20,000	20,000
Milwaukee Christian Center	Youth Build Project (multiple locations)	40,000	0	0
Milwaukee Community Service Corp.	MCSC Housing Accessibility Retrofit Program	36,000	0	0
Milwaukee Habitat for Humanity	Woodland Condos	100,000	0	0
Northcott Neighborhood House, Inc.	Youthbuild - A Fresh Start	105,000	105,000	105,000
Select Milwaukee	Homeownership Purchase/Rehab Program	240,560	0	0
		<u>541,560</u>	<u>125,000</u>	<u>125,000</u>
<b><u>OTHER NEEDS AS IDENTIFIED - (Amount Available \$144,336)</u></b>				
	Total	<u>3,114,470</u>	<u>818,395</u>	<u>818,395</u>
	Total Amount Available		<u>962,250</u>	<u>962,250</u>
	Unallocated Amount		143,855	143,855

# CITY OF MILWAUKEE FISCAL NOTE

A) DATE February 15, 2010

FILE NUMBER: 091358

Original Fiscal Note  Substitute  1

SUBJECT: Substitute resolution relating to the allocation of funds from the Housing Trust Fund.

B) SUBMITTED BY (Name/title/dept./ext.): Steve Mahan/Direcotr/DOA-CDGA/x3842

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:	Housing Trust Fund		\$818,395		
<b>TOTALS</b>					

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 checked="" 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:

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H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

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PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

**LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS**

**ZONING, NEIGHBORHOODS AND DEVELOPMENT COMMITTEE**

**FEBRUARY 23, 2010**

**Item 10, File #091358**

File Number 091358 is a resolution approving the awarding of \$818,395 from the Housing Trust Fund for 5 affordable housing projects.

**Background**

1. On November 14, 2006, the Common Council adopted File Number 041537, the ordinance creating the City of Milwaukee's Housing Trust Fund.
2. The purpose of the Housing Trust Fund is "to support developers and governmental entities in the acquisition, construction, rehabilitation and modification of affordable and accessible housing for low-income households, and to finance support services that assist low-income households in obtaining and maintaining affordable housing" (s. 316-1, MCO).
3. The Community Development Grants Administration division of the Department of Administration ("CDGA") is responsible for administering the Housing Trust Fund, including soliciting and reviewing requests for funding. The 13-member Housing Trust Fund Advisory Board evaluates funding requests and makes recommendations to the Common Council after the requests have been reviewed by CDGA.
4. The financing and operational characteristics of the Housing Trust Fund, adopted by Common Council File Number 060071, provide that Housing Trust Fund dollars shall be awarded in 3 categories:
  - a. Housing and services for persons who are homeless (targeted to receive a minimum of 25% of available funds).
  - b. Development or rehabilitation of affordable rental housing (target: a minimum of 35%).
  - c. Creation or maintenance of home ownership activities (target: a minimum of 25%).
5. The 2007 Budget included \$2.5 million in general obligation borrowing authority to fund the Housing Trust Fund. The 2008 Budget provided an additional \$400,000 in tax levy funding for the Housing Trust Fund. The 2009 and 2010 budgets each provided an additional \$400,000 in capital funding for the Housing Trust Fund
6. To date, the Common Council has approved 2 rounds of Housing Trust Fund awards: \$1,407,000 in 2008 for 5 affordable housing projects and another \$920,750 in 2009 for 9 projects. (An additional \$10,000 was allocated to the Local Initiatives Support Corporation and the Public Policy Forum to fund a study titled "A Sustainable Approach to

Creating and Administering Low-Income and Special Needs Housing in Milwaukee County.")

**Discussion**

1. In October, 2009, CDGA issued requests for proposals for projects to be supported by the next round of Housing Trust Fund awards. Proposals were sought for the funding categories of Housing for the Homeless (25% of available funds), Rental (35%), Home Ownership (25%) and Other Needs as Identified (15%). Fourteen funding requests totaling over \$3.1 million were received by the October 19 deadline.
2. CDGA staff and the Housing Trust Fund Advisory Board’s Technical Review Subcommittee both reviewed the funding applications. Applications were evaluated in terms of several scoring criteria, including the amount of funds being leveraged, the degree of income targeting, the period of affordability of the project, the use of City residents or EBE firms in construction and the applicant’s experience in developing housing.
3. The Technical Review Subcommittee recommended 5 projects totaling \$818,395 for funding. These recommendations were approved by the full Housing Trust Fund Advisory Board at its February 11, 2010, meeting.
4. The projects recommended by the Housing Trust Fund Advisory Board for funding are:

**Rental Housing**

Center for Veterans Issues, Ltd.	\$168,395 for construction of Veteran Manor, a 52-unit supportive housing development for low-income veterans at 35 <sup>th</sup> and Wisconsin Avenue.
Heartland Housing, Inc.	\$150,000 for a 35 units of new rental housing at 2500 W. Fond du Lac Avenue.
Our Space Inc.	\$375,000 for Empowerment Village, a 35-unit combination rehabilitation/new construction project at 525 W. Lincoln Avenue.

**Home Ownership**

Layton Blvd. West Neighbors	\$20,000 for the purchase and rehabilitation of 2 foreclosed homes.
Northcott Neighborhood House, Inc.	\$105,000 to make at least 3 single-family homes fully accessible to persons with physical impairments.
<b>TOTAL</b>	<b>\$818,395</b>

5. As with previous rounds of funding awards, the recommended awards are for “bricks-and-mortar” projects, rather than “soft costs” relating to the provision of affordable housing. The Housing Trust Fund Advisory Board believes that rehabilitation or new construction of housing units will have a more visible, immediate impact on the affordable housing market than housing services such as homebuyer counseling.

**Fiscal Impact**

1. Approval of the this resolution will authorize the expenditure of \$818,395 from the Housing Trust Fund.
2. Following adoption of this resolution, the balance in the Housing Trust Fund will be \$543,855 (this includes the \$400,000 appropriation in the 2010 Budget).

Prepared by: Jeff Osterman, X2262  
LRB-Research & Analysis Section  
February 19, 2010

c: Steven Mahan  
Craig Kammholz







Legislation Details (With Text)

**File #:** 091248      **Version:** 1

**Type:** Resolution      **Status:** In Committee

**File created:** 1/20/2010      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** Substitute resolution authorizing an expenditure and approving a Grant Agreement with the Redevelopment Authority of the City of Milwaukee for Tax Incremental District No. 71, Mitchell Street/551 West Historic Mitchell Street Project, in the 12th Aldermanic District.

**Sponsors:** ALD. WITKOWIAK

**Indexes:** AGREEMENTS, TAX INCREMENTAL DISTRICTS, TAX INCREMENTAL FINANCING

**Attachments:** Grant Agreement, Fiscal Note, Fiscal Analysis, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
1/20/2010	0	COMMON COUNCIL	ASSIGNED TO		
1/27/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
1/28/2010	1	CITY CLERK	DRAFT SUBMITTED		
2/2/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
2/17/2010	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number

091248

Version

SUBSTITUTE 1

Reference

071132

Sponsor

ALD. WITKOWIAK

Title

Substitute resolution authorizing an expenditure and approving a Grant Agreement with the Redevelopment Authority of the City of Milwaukee for Tax Incremental District No. 71, Mitchell Street/551 West Historic Mitchell Street Project, in the 12th Aldermanic District.

Analysis

This substitute resolution authorizes funding of a grant in the amount of \$39,000 from TID No. 71 for interior and exterior renovations in connection with a restaurant proposed at 551 West Historic Mitchell Street. The space is currently vacant and the total renovation cost is estimated at \$135,000.

Body

Whereas, The City of Milwaukee ("City") and the Redevelopment Authority of the City of Milwaukee ("RACM") have created Tax Incremental District No. 71, Mitchell Street ("District"), with the adoption of their respective resolution Nos. 071132 and 9969. The District consists of 281 properties located along, and generally one block north and south of West Historic Mitchell Street between South 5th Street and South 16th Street, plus a commercial area south of West Forest Home Avenue between South 13th Street and South 15th Street. The District contains nearly 2.3 million square feet of land area, excluding public rights-of-way, and encompasses the Historic Mitchell Street commercial district, including immediately adjacent residential areas and parking lots, which serve the retail businesses on the Street; and

Whereas, Funding provided by the Project Plan for the District totals \$3,118,000 for the purposes of upgrading pedestrian lighting, installing median irrigation, security cameras and tree grates, along with funds for grants or loans to assist with catalytic private development opportunities in the District; and

Whereas, One of the projects proposed by Business Improvement District No. 4, in the District, is the restoration and renovation of the vacant commercial space at 551 West Historic Mitchell Street for occupancy by Paesanos Pizza, LLC, which plans to operate an Italian restaurant modeled after three restaurants owned by the Quezada family in Sacramento, California. Susana Rodriguez is a member of the Quezada family and will operate the Milwaukee restaurant; and

Whereas, Renovations for this restaurant are estimated to cost \$135,000; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Grant Agreement with RACM, a copy of which is attached to this Common Council File, is approved, and the proper City officials are directed to execute said Agreement and to provide a grant for the 551 West Historic Mitchell Street/Paesanos Pizza Project on terms set forth in the Term Sheet attached to the Agreement as Exhibit A; and, be it

Further Resolved, That the City Comptroller is directed to establish such accounts and provide such funding from Tax Incremental District No. 71 as provided in the Grant Agreement.

Drafter

DCD:JS:js

01/27/10

## **GRANT AGREEMENT**

**THIS GRANT AGREEMENT** (“Agreement”) is entered into as of \_\_\_\_\_, 2010, by and between the City of Milwaukee, Wisconsin, a Wisconsin municipal corporation (“City”) and the Redevelopment Authority of the City of Milwaukee (“RACM”).

### **WITNESSETH THAT:**

**WHEREAS**, City and RACM have created Tax Incremental District No. 71 (Mitchell Street) ( “District”) with the adoption of their respective resolutions No. 071132 and No. 9969. The District consists of 281 properties located along, and generally one block north and south of W. Mitchell Street between S. 5<sup>th</sup> Street and S. 16<sup>th</sup> Street, plus a commercial area south of W. Forest Home Ave. between S. 13<sup>th</sup> Street and S. 15<sup>th</sup> Street. The District contains nearly 2.3 million s.f. of land area, excluding public rights-of-way, and encompasses the Historic Mitchell Street commercial district, including immediately adjacent residential areas, and parking lots which serve the retail business on the Street; and

**WHEREAS**, Funding provided by the Project Plan for the District totals \$3,118,000 for the purposes of upgrading pedestrian lighting, installing median irrigation, security cameras, and tree grates, along with funds for grants or loans to assist with catalytic private development opportunities in the District; and

**WHEREAS**, One of the properties proposed for improvement in the District is the restoration and renovation of the vacant commercial space at 551 W. Mitchell St., owned by Mitchell 551 LLC (“Owner”) and proposed to be leased to Paesano’s Pizza, LLC (“Tenant”) which plans to open a restaurant modeled after similar restaurants operated by the Quezada family in the Sacramento area, specializing in pizza while offering a variety of other Italian entrees; and

**WHEREAS**, renovations for this property are estimated to cost \$135,000 as detailed in Exhibit A, hereto; and

**WHEREAS**, the Common Council adopted Resolution File No. \_\_\_\_\_ and RACM adopted Resolution No. \_\_\_\_\_ authorizing the execution of this Agreement and the funding of a grant to Tenant on terms set forth in the Term Sheet attached as **Exhibit “A”**;

**NOW, THEREFORE**, The parties hereto mutually agree as follows:

1. Grant to Tenant. City agrees to provide up to \$39,000 to RACM for the purposes of providing a Grant to the Tenant on Terms set forth in Exhibit A, hereto.

2. Establishment of Fund Account. Funding for the Grant shall be provided from TID 71 Account No. TD07188001. The City Comptroller shall establish such funds and accounts in TID 71 as necessary to accomplish the transaction contemplated herein.

3. Administration of the Fund Account. The City Comptroller shall review and approve the accounting and financial reporting systems necessary to administer the Grant Account.

4. Verification by Comptroller. The City Comptroller shall, from time to time as in the Comptroller's judgment is appropriate, review the receipts and expenditures of RACM, or of management operations in relation to the Grant. The Comptroller shall have full power to conduct an audit or to have such an audit conducted as is necessary in the Comptroller's judgment to provide a full accounting to the City. The results of such audit shall be reported to the Common Council.

**IN WITNESS WHEREOF**, The parties have executed this Agreement the day and year as hereinafter set forth.

CITY OF MILWAUKEE

REDEVELOPMENT AUTHORITY  
OF THE CITY OF MILWAUKEE

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

Date: \_\_\_\_\_

\_\_\_\_\_  
City Clerk

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Lois Smith, Chair

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Rocky Marcoux, Exec. Dir.

Date: \_\_\_\_\_

**COUNTERSIGNED:**

\_\_\_\_\_  
City Comptroller

Date: \_\_\_\_\_

Approved as to form, execution, and  
content this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Assistant City Attorney

## EXHIBIT A

### Term Sheet for Grant for

#### 551 W. Mitchell St.

- **Project:** The “Project” consists of renovations to the property at 551 W. Mitchell St, for the purposes of establishing a sit-down restaurant to be known as Paesanos.
- **Owner:** Owner is Mitchell 551, LLC
- **Tenant:** The Tenant is Paesanos Pizza, LLC, Susana Rodriguez, 900 S. Mooreland Rd, Brookfield, WI 53005 registered agent. Tenant shall enter into a lease with a term of not less than five years, which terms and conditions shall be subject to the approval of City’s Commissioner of City Development.
- **Project Budget:** The estimated cost of the Project is \$135,000 as set forth in the attached Budget Summary..
- **City Funding:** The City will provide up to \$39,000 to the Redevelopment Authority of the City of Milwaukee (“RACM”) from Tax Incremental District Bond Account No. TD07188001 for the purposes of providing a Grant for Project.
- **Additional Funding:** Owner and Tenant shall provide the balance of project funding, in the amount of \$96,000.
- **Design Approvals:** The final design of the Project’s façade, and any signage affixed thereto, shall be subject to approval of the Commissioner of City Development, the Milwaukee Historic Preservation Commission staff, and Business Improvement District No. 4. The City Wide Façade Design Guidelines shall govern the façade and sign design.
- **RACM Responsibilities.** Funds granted by the City to RACM shall be utilized for costs of the Project and shall be disbursed pursuant to a Disbursing Agreement between Owner, Tenant, and RACM following expenditure of Owner/ Tenant’s contribution.
- **Recapture:** Funding for the Project shall be subject to recapture if at any time during the ten year period following completion of the Project, the Project is sold, or otherwise conveyed, and is operated as something other than a restaurant unless such operation is approved by BID No. 4. In such event, the amount of recapture will be prorated based on the remaining number of years of the ten-year recapture period.
- **Other Provisions.** 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 into one or more agreements including the Development Agreement between the City, RACM, and Owner.

	<b>Budget Summary</b>			
	<b>551 W. Mitchell St. Project / Paesano's Restaurant</b>			
	<b>Tax Incremental District No. 71 ( Mitchell St.)</b>			
	<b>Use of Funds</b>			
	Ceramic tile floor			\$6,350
	Drop Ceiling			\$3,800
	Washable surfaces on walls			\$4,000
	Customer Counter			\$3,400
	Counter Bar			\$5,600
	Soffits around drop ceiling			\$500
	New window shades			\$3,000
	Relocation of HVAC ductwork			\$4,450
	Electrical			\$8,850
	Plumbing			\$10,495
	New hood			\$20,419
	New walk in cooler			\$6,339
	Panic door installation for rear			\$3,200
	Sinks-coolers-tables-stove			\$12,400
	Architectural/Engineering/Permits			\$3,600
	New 200 AMP meter			\$1,850
	Relocate Electric Panel			\$1,300
	New 1 1/2" water service to bldg			\$9,850
	2 hour ceiling fire suppression			\$4,800
	5 ton AC unit			\$8,900
	Exterior sign			\$7,480
	Engineering fees			\$2,900
	Support for make up air unit			\$1,100
	<b>Total</b>			<b>\$134,583</b>

Source: BMR Design Group, Inc. est. of November 22, 2009.



# CITY OF MILWAUKEE FISCAL NOTE

A) **DATE** 01/27/10

**FILE NUMBER:** 091248

Original Fiscal Note  Substitute

**SUBJECT:** Substitute resolution authorizing an expenditure and approving a Grant Agreement with the Redevelopment Authority of the City of Milwaukee for Tax Incremental District No. 71, Mitchell Street/551 West Historic Mitchell Street Project, in the 12th 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
<b>SALARIES/WAGES:</b>					
<b>SUPPLIES:</b>					
<b>MATERIALS:</b>					
<b>NEW EQUIPMENT:</b>					
<b>EQUIPMENT REPAIR:</b>					
<b>OTHER:</b>	TID Grant	TD07188001	\$39,000		
<b>TOTALS</b>			\$39,000		

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:**

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H) **COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:**

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PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

**LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS**

**ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE**

**FEBRUARY 2, 2010**

**Item 12, File #091248**

File Number 091248 is a resolution approving a grant agreement between the City and the Redevelopment Authority through which the City will provide \$39,000 in tax incremental financing funds for improvements to the property at 551 W. Historic Mitchell Street in Tax Incremental District No. 71 (Mitchell Street).

**Background**

1. On January 15, 2008, the Common Council adopted File Number 071132, a resolution creating Tax Incremental District No. 71 (Mitchell Street), approving its project plan and authorizing expenditures for the district. TID No. 71 encompasses 281 properties located along Mitchell Street and in the area extending one block north and south of Mitchell Street, between 5<sup>th</sup> and 16<sup>th</sup> Streets.
2. The proposed project plan calls for a variety of public improvements, programs and activities in the Mitchell Street TID with a total cost of \$3,118,000. Included in the project plan is the establishment of a \$1.5 million development fund to provide loans or grants as gap financing for catalytic private development projects in the district. This fund was established with the stipulation that any appropriations for development projects to be assisted with the fund shall be subject to separate Common Council approval.
3. Restoration and renovation of the vacant commercial property at 551 W. Historic Mitchell Street for use as a pizza restaurant has been identified as a catalytic project within TID No. 71.

**Discussion**

1. This resolution approves a grant agreement between the City and the Redevelopment Authority of the City of Milwaukee ("RACM") through which the City agrees to provide up to \$39,000 to RACM for the purpose of providing a grant to the tenant of the property at 551 W. Historic Mitchell Street, Paesano's Pizza, LLC (the property owner is Mitchell 551, LLC). Funding for the grant will come from tax incremental revenues generated by TID No. 71. The resolution also directs the proper City officers to execute the agreement and the City Comptroller to establish the appropriate funds and accounts necessary to accomplish this transaction.
2. The term sheet for the grant indicates that the total estimated project cost is \$135,000. The property owner and the tenant will provide \$96,000. The City will provide the other \$39,000 through the TID funding granted to RACM by this resolution.

3. The project will consist of interior and exterior renovation of the building at 551 W. Historic Mitchell Street for the purposes of establishing a sit-down restaurant in this building.
4. The term sheet further provides that the City's funding for the project shall be subject to pro-rated recapture if, at any time during the 10-year period following completion of the project, the project is sold and operated as something other than a restaurant.
5. Precedent for this resolution and this grant was set by Common Council File No. 090235, a resolution adopted October 13, 2009, which provided an \$82,000 grant for renovation of a vacant restaurant at 608 W. Historic Mitchell Street.

**Fiscal Impact**

Adoption of this resolution will authorize the expenditure of \$39,000 in City capital funding (borrowing) which will be recovered through tax incremental revenues from TID No. 71.

Prepared by: Jeff Osterman, x2262  
LRB-Research & Analysis Section  
February 1, 2010

cc: Rocky Marcoux  
Martha Brown  
Joe' Mar Hooper  
Jim Scherer





## Legislation Details (With Text)

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**File #:** 091405      **Version:** 0

**Type:** Resolution      **Status:** In Committee

**File created:** 2/9/2010      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** Resolution authorizing the transfer and expenditure of funds from the Capital Improvements-Housing Infrastructure Preservation Fund for repairs to City-owned properties to preserve the structures and to improve marketability and feasibility.

**Sponsors:** ALD. BAUMAN

**Indexes:** CAPITAL IMPROVEMENTS, CITY PROPERTY, HOUSING

**Attachments:** Fiscal Note, Fiscal Analysis, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
2/9/2010	0	COMMON COUNCIL	ASSIGNED TO		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

**Number**

091405

**Version**

ORIGINAL

**Reference**

090459

**Sponsor**

ALD. BAUMAN

**Title**

Resolution authorizing the transfer and expenditure of funds from the Capital Improvements-Housing Infrastructure Preservation Fund for repairs to City-owned properties to preserve the structures and to improve marketability and feasibility.

**Analysis**

This resolution transfers \$600,000 in funds from the Capital Improvements-Housing Infrastructure Preservation Fund Account No. UR048100000 to a subaccount. The Housing Infrastructure Preservation Fund will fund repairs to City-owned properties to preserve the structures and improve marketability and feasibility.

**Body**

Whereas, By passage of File No. 090459, the Common Council of the City of Milwaukee approved an ordinance that established an Housing Infrastructure Preservation Fund ("Preservation Fund") to provide a permanent and dedicated funding source to assist in the restoration of City-owned houses prior to property sale; and

Whereas, The Department of City Development ("DCD") Real Estate staff will use the Preservation Fund to pay for repairs to structures that have unique property characteristics and/or have important neighborhood impacts to prevent building demolition and to assist in the financial feasibility of the rehabilitation to be completed by a future buyer; and

Whereas, To use the Preservation Fund, the City Comptroller must transfer \$600,000 from the Capital Improvements-Housing Infrastructure Preservation Fund account to a subaccount for property restoration activities; and

Whereas, Prior to expenditure from the Preservation Fund subaccount, DCD will present the local Common Council member with a Neighborhood Property Report to classify the particular property as a Restoration Property as required by Section 304-49-2, Milwaukee Code of Ordinances; and

Whereas, Upon approval of the Restoration Property classification, DCD staff will obtain scopes of work and contractor bids for recommended repairs; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the City Comptroller is directed to transfer the sum of \$600,000 from the Capital Improvements-Housing Infrastructure Preservation Fund Account No. 9990-UR048100000 to Project Account No. 1910-UR048100000 to be used by DCD, as the need may arise, to provide restoration and repairs to City-owned properties prior to marketing and sale; and, be it

Further Resolved, That DCD is directed to enter into such contracts and agreements, as necessary, to accomplish the intent and purpose of this resolution.

**Drafter**

DCD:EMM:bmm

02/09/10/A

# CITY OF MILWAUKEE FISCAL NOTE

A) DATE 02/09/10

FILE NUMBER: \_\_\_\_\_

Original Fiscal Note  Substitute

SUBJECT: Resolution authorizing the transfer and expenditure of funds from the Capital Improvements-Housing Infrastructure Preservation Fund to fund repairs to City-owned properties to preserve the structures and to improve marketability and feasibility.

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:	Capital Improvements-Housing Infrastructure Preservation Fund	1910-UR048100000	\$600,000		
<b>TOTALS</b>			\$600,000		

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:

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H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

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PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

**LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS**

**ZONING, NEIGHBORHOODS AND DEVELOPMENT COMMITTEE**

**FEBRUARY 23, 2010**

**Item 12, File #091405**

File Number 091405 is a resolution authorizing the transfer and expenditure of the \$600,000 in capital funding provided in the 2010 Budget for the Housing Infrastructure Preservation Fund.

**Background**

1. On July 28, 2009, the Common Council passed File Number 090162, an ordinance revising the City's policies and procedures for disposition of City-owned real estate. Specifically, the ordinance requires the Department of City Development, in consultation with the local Common Council member, to classify each improved "neighborhood property" (i.e., property containing 4 or fewer housing units) into one of 3 categories:
  - a. Habitable property – a property that is habitable in its current condition or can be rendered habitable with reasonable effort and funds proportionate to its assessed value.
  - b. Uninhabitable property – a property that is not habitable in its current condition and cannot be rendered habitable with reasonable effort and funds proportionate to its assessed value.
  - c. Special consideration property – a property that is not habitable in its current condition and is unlikely to be restored or rehabilitated by a private purchaser because the scope of work exceeds the amount of work that a private purchaser would reasonably be able to complete. However, the property is worthy of restoration or rehabilitation based on such factors as neighborhood context, architectural characteristics or quality, historic status of the structure or neighborhood in which it is located, or other relevant factors. Special consideration properties shall be further classified into 2 sub-categories:
    - c-1. Public restoration property – a property that is suitable and recommended for immediate restoration or rehabilitation by the City, the Housing Authority or another public entity.
    - c-2. Mothballing property – a property that is not suitable and not recommended for immediate restoration or rehabilitation, but shall be designated for mothballing or landbanking by the City.
2. On September 22, 2009, the Common Council passed File Number 090459, an ordinance creating a Housing Infrastructure Preservation Fund to provide a permanent, dedicated funding source to finance City restoration or mothballing of special consideration properties. The ordinance identifies several potential funding sources for the Housing Infrastructure Preservation Fund: tax levy, general obligation borrowing, net proceeds from the sale of restoration properties, amounts appropriated by law and transferred to the Fund by the City Comptroller, and other appropriations made by the Common Council.



3. The adopted 2010 City Budget provides \$600,000 in capital funding (new borrowing) for the Housing Infrastructure Preservation Fund. This funding is to be administered by the Department of City Development.

**Discussion**

1. File Number 091405 is a resolution directing the City Comptroller to transfer the \$600,000 from the Housing Infrastructure Preservation Fund capital account to a project subaccount. In effect, this resolution is the vehicle by which the budgeted funds are made available to the Department of City Development to undertake restoration and repairs of City-owned special consideration properties prior to marketing and selling the properties.
2. The resolution does not identify specific properties that DCD will restore and repair using the transferred funds. However, the resolution indicates that, prior to any expenditure from the Housing Infrastructure Preservation Fund project subaccount, the department will present the local Common Council member with a neighborhood property report that classifies particular properties as restoration properties, as required by the ordinance.

**Fiscal Impact**

This resolution authorizes the transfer and expenditure of the \$600,000 in capital funding provided in the 2010 Budget for the Housing Infrastructure Preservation Fund.

Prepared by: Jeff Osterman, X2262  
LRB-Research & Analysis Section  
February 19, 2010

c: Rocky Marcoux  
Martha Brown  
Elaine Miller  
Joe'Mar Hooper





## Legislation Details (With Text)

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**File #:** 091367      **Version:** 1

**Type:** Resolution      **Status:** In Committee

**File created:** 2/9/2010      **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

**On agenda:**      **Final action:**

**Effective date:**

**Title:** Substitute resolution approving Amendment No. 1 to the Cooperation, Contribution and Redevelopment Agreement for Tax Incremental District No. 49, Cathedral Place, in the 4th Aldermanic District.

**Sponsors:** THE CHAIR

**Indexes:** AGREEMENTS, TAX INCREMENTAL DISTRICTS, TAX INCREMENTAL FINANCING

**Attachments:** Cover Letter.pdf, Exhibit A as of 2-18-10.pdf, Exhibit B as of 2-18-10.pdf, Fiscal Note.pdf, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
2/9/2010	0	COMMON COUNCIL	ASSIGNED TO		
2/17/2010	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
2/19/2010	1	CITY CLERK	DRAFT SUBMITTED		

Number

091367

Version

SUBSTITUTE 1

Reference

011469

Sponsor

THE CHAIR

Title

Substitute resolution approving Amendment No. 1 to the Cooperation, Contribution and Redevelopment Agreement for Tax Incremental District No. 49, Cathedral Place, in the 4th Aldermanic District.

Analysis

In 2002, the City created TID No. 49 to assist the development of the Cathedral Place office, condominium and retail complex at East Wells Street and North Jackson Street. Through TID No. 49, the City authorized RACM to construct, own and operate the parking ramp connected to the project at 555 East Wells Street. The parking ramp was financed with RACM variable rate revenue bonds in the initial amount of \$25.4 million.

The bonds are payable from operating revenue from the parking ramp, and tax increment revenue from the TID. Payment on the bonds is secured by a direct pay letter-of-credit issued by JPMorgan Chase Bank, which letter-of-credit expires May 15, 2010. Payment on the bonds is further secured by a Support Agreement from the developer of the Project and by the Moral Obligation pledge of the City to restore any draws made from a reserve established to further secure the bonds.

JPMorgan Chase is willing to extend its letter-of-credit, on the terms provided in this file, only if the City upgrades its Moral Obligation Pledge to a Legal Obligation. The attached Funding Agreement creates this legal obligation by budgeting sufficient contingent borrowing to directly reimburse the bank for any draws on its letter-of-credit.

To date, there have been no draws on the letter-of-credit, and the outstanding balance of the bonds is \$16.8 million, of which \$1.4 million will be redeemed on March 23, 2010.

Body

Whereas, The City of Milwaukee ("City") created Tax Incremental District No. 49 ("TID No. 49"), Cathedral Place, to assist in the development of the Cathedral Place office, residential and retail project located at the corner of East Wells Street and North Jackson Street (the "Project"); and

Whereas, The Redevelopment Authority of the City of Milwaukee ("RACM") previously issued its Cathedral Place Parking Facility Revenue Bonds, Series 2002, (the "Bonds") for the purposes of financing the 940-space parking structure at 555 East Wells Street in TID No. 49; and

Whereas, In connection with the issuance of the Bonds, the City, RACM, Cathedral Place, LLC and Van Buren Management, Inc. have entered into a Cooperation, Contribution and Redevelopment Agreement for TID No. 49 ("Cathedral Place Project") dated as of May 1, 2002 (the "Development and Cooperation Agreement"); and

Whereas, The Development and Cooperation Agreement was authorized pursuant to Common Council File No. 011469, adopted March 5, 2002; and

Whereas, Pursuant to the Development and Cooperation Agreement, the City has provided its Moral Obligation in support of the Bonds; and

Whereas, RACM and JPMorgan Chase Bank, N.A., (the "Letter-of-Credit Bank") have entered into a First Amendment to Letter-of-Credit and Reimbursement Agreement dated as of August 27, 2007, which sets forth RACM's repayment obligations in conjunction with draws, if any, on the Letter-of-Credit issued by the Bank in support of the Bonds; and

Whereas, The above Letter-of-Credit expires on May 15, 2010 and the Letter-of-Credit Bank is willing to extend such Letter-of-Credit on terms and conditions as substantially set forth in its Direct Pay Letter-of-Credit Proposal ("LOC Proposal"), a copy of which is attached to this Common Council File as Exhibit A; and

Whereas, The City and RACM desire to Amend the Development and Cooperation Agreement to upgrade the City's Moral Obligation and to enter into a Funding Agreement in substantially the form set forth in Exhibit B, a copy of which is attached to this Common Council File, to acknowledge the City's commitment to provide funding to RACM in the event of any draws under the Reimbursement Agreement; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the proper City officials are directed to enter into a Funding Agreement in substantially the form set forth in Exhibit B, with such modifications and revisions as may be approved by the City Attorney, and any associated documents necessary to Amend the Development and Cooperation Agreement, and the Reimbursement Agreement, which are consistent with the terms of the LOC Proposal.

Drafter

DCD:JS:js

02/18/10



**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](http://www.milwaukee.gov/2010census)

February 3, 2010

To The Honorable  
Common Council of the City of Milwaukee  
Milwaukee, WI 53202

Dear Members of the Common Council:

The Department of City Development respectfully requests introduction of the attached title only resolution relative to extending the letter of credit for the Cathedral Place (TID No. 49) Parking Facilities revenue bonds of the Redevelopment Authority of the City of Milwaukee and changing the City's moral obligation on the bonds to a legal obligation.

Your consideration of this request is appreciated.

Sincerely,

Rocky Marcoux  
Commissioner

Attachment

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

# EXHIBIT A

FEBRUARY 2010

## DIRECT PAY LETTER OF CREDIT PROPOSAL

Redevelopment Authority of the City of Milwaukee, Wisconsin

\$16,805,000 Variable Rate Demand Redevelopment Revenue Bonds, Series 2002

(Cathedral Place Parking Facility Project)

STRICTLY PRIVATE AND CONFIDENTIAL

J.P.Morgan

**\$16,805,000**  
**Direct Pay Letter of Credit**  
**relating to**  
**Redevelopment Authority of the City of Milwaukee, Wisconsin**  
**Variable Rate Demand Redevelopment Revenue Bonds, Series 2002**  
**(Cathedral Place Parking Facility Project)**

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*All terms and conditions of this Term Sheet are non-binding and subject to credit approval of JPMorgan Chase Bank, N.A. (the "Bank"). This Term Sheet does not constitute a commitment by, or a contractual obligation of the Bank. This Term Sheet is not intended to be exhaustive or all-inclusive, and the final documentation may include additional terms and conditions required by the Bank that are not included in this Term Sheet. This Term Sheet is confidential, and, as such, should not be shared with any other parties besides the Authority, the City (defined below) and the Bank.*

**SECTION I. DESCRIPTION OF THE BOND ISSUE:**

**Issuer / Borrower:** Redevelopment Authority of the City of Milwaukee, Wisconsin (the "Authority").

**Credit Support / Grant Provider:** City of Milwaukee, Wisconsin (the "City").

**Bonds:** Variable Rate Demand Redevelopment Revenue Bonds, Series 2002 (Cathedral Place Parking Facility Project) (the "Bonds").

**Principal Amount of the Bonds:** \$16,805,000.

**SECTION II. CERTAIN AMENDMENTS TO THE REIMBURSEMENT AGREEMENT:**

*The amendments and structural modifications outlined in this section are reflective of current market conventions, the Bank's updated standard provisions since the Letter of Credit and Reimbursement Agreement dated March 1, 2005 between the Authority and the Bank was executed by the parties and subsequently amended, as well as the security-related terms and conditions recently discussed among the parties in connection with.*

**Facility Provider:** JPMorgan Chase Bank, N.A. (the "Bank").

**Facility:** Renewal of Direct Pay Letter of Credit and Reimbursement Agreement providing credit enhancement and liquidity support for the Bonds ("LoC" or "Facility").

**Facility Amount:** \$16,805,000 plus interest coverage (110 days @ 10% maximum rate).

**Facility Term:** The Bank is prepared to offer the Authority a three (3) year or five (5) year extension term for this Facility. The pricing levels of the Facility Terms are outlined below.

<b>Facility Fee:</b>	<b>Facility Term:</b>	<b>Facility Fee:</b>
	Three (3) Years	120.0 basis points per annum
	Five (5) Years	122.5 basis points per annum



The Facility Fee above assumes that the general obligation bond ratings (without giving effect to any third party credit enhancement) assigned to the City's debt ("Ratings") are at least equal to Aa2 by Moody's, AA by S&P and AA by Fitch at the time of closing.

**Pricing Grid:**

The Facility Fee rate will increase by 20 bps per annum from and after the date of each rating notch downgrade of the City's Ratings (as defined above) below the Aa2/AA/AA rating category by Moody's, S&P or Fitch, respectively (this includes sign changes and numeric qualifiers). Note that if two or more rating agencies were to downgrade the Ratings assigned to the City within the same equivalent categories, the Bank would not double count these downgrades (i.e. a downgrade by Moody's from Aa2 to A1 and a downgrade by Standard & Poor's from AA to A+ would collectively represent a two notch downgrade). If the Ratings assigned by the rating agencies appear in more than one rating category (i.e. a split rating), the Facility Fee rate will be based on the category that includes the lowest rating.

If at any time an Event of Default shall have occurred and be continuing under the Facility, the Facility Fee rate then in effect shall be immediately increased (without notice to the Authority or the City) by 100 bps per annum for so long as an Event of Default is in effect. In addition, if Moody's, S&P or Fitch shall withdraw or suspend its applicable long-term underlying rating, then in each such case, the Facility Fee rate shall increase automatically and immediately (without notice to the Authority or the City) by an additional 100 bps per annum above the Facility Fee rate in effect immediately prior to such withdrawal or suspension, as the case may be, and shall remain in effect for so long as such withdrawal or suspension, as the case may be, remains in effect.

**Termination of Facility and Termination Fee:**

In the event that the Authority elects to terminate the Facility prior to its stated expiration date, the Authority will be required to pay a termination fee equal to the Facility Fee which would have accrued from the date of termination through the stated expiration date. The Authority will not be required to pay the termination fee in the event that the Bank's short-term ratings fall below P-1, A-1 or F1, respectively, from Moody's, S&P or Fitch, respectively. All Facility Fees and any other amounts owed to the Bank will be due and payable prior to termination.

**Interest on Drawings:**

Liquidity Drawings shall bear interest at a rate per annum (the "Bank Rate") equal to (1) for the period from and including the date of such drawing to and including 60 calendar days immediately following the related drawing, the highest of (A) Prime + 1.5% p.a., (B) Fed Funds + 2.0% p.a. and (C) 7.5% p.a. (the "Alternate Base Rate") and (2) from and including the 61<sup>st</sup> calendar day immediately following the related drawing to and including the 120<sup>th</sup> calendar day immediately following the related drawing, the Alternate Base Rate + 1% per annum. Additionally, from and after the occurrence of an Event of Default, the Bank Rate shall equal the Default Rate (as defined below).

All Liquidity Drawings are required to be paid in full on or before (i) the 120th day following the date of such Liquidity Draw, (ii) the date that a substitute letter of credit replaces the Facility or (iii) the date that the Facility is permanently reduced to zero or the Facility is otherwise terminated prior to its expiration date. All other drawings (i.e., interest, principal and redemption drawings are payable on the date of the related drawing and, if not paid when due, shall bear interest at the Default Rate (as defined below). The existing Agreement will be modified in accordance with the foregoing and the Term Loan concepts contained in the existing Agreement will be deleted.

**Default Interest:** Unchanged from the existing Agreement. Default Interest will accrue at the Alternate Base Rate + 3.0% p.a. (the "Default Rate").

**Bank Bond CUSIP and Ratings:** In connection with the extension, the Bank will require, as a condition precedent to closing, the delivery of a Bank Bond CUSIP number. In addition, the City will be required to obtain at least one rating on Bank Bonds upon request by the Bank following any purchase of Bonds by the Bank under the Facility.

**Renewal Provisions:** Upon the Bank's receipt of a written request by the Authority for the Bank to extend the expiration date of the Facility, such request being made no earlier than 150 days but not later than 120 days prior to the expiration date, the Bank agrees to advise the Authority within 45 days of receipt of such written request whether or not the Bank will extend the Facility, and, if so, of the proposed terms of the extension (the "Proposal"). The failure of the Bank to deliver the Proposal within such 45 day period shall mean that the Bank has determined not to extend the expiration date. The Bank may or may not, in its sole discretion, extend the Facility.

**Documentation:** Documentation will include, inter alia, an amendment to the Letter of Credit and Reimbursement Agreement (collectively, the "Agreement") between the Bank and the City (the "Amendment"). The Amendment will include, but not be limited to, the terms and conditions outlined herein as well as certain modifications including, but not limited to, incorporation of terms of bond documents and current and future agreements with respect to parity debt (excluding fees, but including financial covenants, remedies, security and acceleration rights), representation of no sovereign immunity and covenant to waive any such future rights, jurisdiction and venue, set off, waiver of jury trial and full protection against increased costs, taxes and changes in capital adequacy requirements. Please note, however, that it is not the Bank's intention to make changes that would result in the transaction needing to be re-rated by the rating agencies.

**Credit Support/ Grants:** The City will enter into a credit support agreement, either separately or as an amendment to its existing Cooperation, Contribution, and Development Agreement, in form and substance satisfactory to the Bank in all respects, pursuant to which the City will agree with the Authority and the Bank that the City will be legally obligated to make available grants for the sole purpose of paying any amounts which may become due to the Bank under the Facility or the Agreement. Such

grants will be made available by the City by (i) except as expressly noted in clause (ii), no later than 120 days following the due date of such amounts or (ii) with respect to Liquidity Drawings, by no later than 120 days following the date of the related drawing on the Facility. The City will further agree that it shall, each year during so long as the Facility remains in effect or amounts remain due and payable to the Bank, ensure through its annual budget the continued availability of funds to fund grants to the Authority, directly or through payment to the Bank, in order to allow the Authority to meet its payment obligations under the Facility and the Agreement. In the event that the City fails to provide for the availability of funds in its subsequent year's budget by December 1st of any calendar year while the Facility remains in effect or amounts remain due and payable to the Bank, then the City shall immediately pay to the Bond Trustee (on behalf of the Authority) an amount equal to the amount of the unpaid and outstanding principal amount (plus accrued interest through redemption) of the Bonds and the Authority shall agree to immediately cause such amount to be applied to the redemption in full of the Bonds. The Bank shall further have the right to cause each of the foregoing actions to occur by notice to the City, without prior notice to the Authority, which notice is waived to the fullest extent permitted by law.

**Costs and Expenses:** All legal fees and disbursements will be for the Authority's account and payable on the date of closing. Legal fees for Winston and Strawn LLP, the Bank's U.S. Counsel, are estimated to be \$25,000 plus disbursements for drafting the Amendment, Letter of Credit renewal notice and credit support documentation.

**Credit Approval:** This term sheet remains subject to formal credit approval by the Bank. The Bank would reasonably expect to receive credit approval within ten (10) business days of obtaining a mandate from the Authority.

**Expiry of Term Sheet:** February 25, 2010, unless otherwise extended by JPMorgan.

**SECTION III. CONTACT INFORMATION:**

**Bank Contact:** Justin Wahn  
Vice President  
Phone: (212) 270-3813  
E-mail: [justin.d.wahn@jpmorgan.com](mailto:justin.d.wahn@jpmorgan.com)  
Fax: (917) 456 3564

JPMorgan Chase Bank, N.A  
383 Madison Avenue, 8<sup>th</sup> Floor  
Mail Code: NY1-M076  
New York, NY 10179

**Bank Counsel:**

Kay McNab  
Phone: (312) 558-5959  
Fax: (312) 558-5700  
E-mail: [kmcnab@winston.com](mailto:kmcnab@winston.com)

Winston & Strawn LLP  
35 West Wacker Drive  
Chicago, Illinois 60601-9703

**Exhibit B**

**V. 2, 1/25/10**

**FUNDING COOPERATION AGREEMENT**

**(Cathedral Place Project)**

## **FUNDING COOPERATION AGREEMENT**

### **(Cathedral Place Project)**

**THIS FUNDING COOPERATION AGREEMENT** (hereinafter referred to as “Agreement”) is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2010 by and between the City of Milwaukee, Wisconsin, a Wisconsin municipal corporation, (the “City”), and the Redevelopment Authority of the City of Milwaukee, a public body corporate and politic organized and existing under the laws of the State of Wisconsin (“RACM”).

#### **WITNESSETH THAT:**

**WHEREAS**, RACM, with the cooperation of the City, has agreed to undertake and to provide assistance to the Cathedral Square Project located at the corner of East Wells Street and North Jackson Street (the “Project”) and City, RACM, Cathedral Place, LLC and Van Buren Management, Inc. have entered into a Cooperation, Contribution, and Development Agreement Agreement for Tax Increment District No. 49 (“Cathedral Place Project”) dated as of May 1, 2002 (the “Development and Cooperation Agreement”) in substantially the form attached as Exhibit “A”; and

**WHEREAS**, The Development and Cooperation Agreement was authorized pursuant to Common Council Resolution File Number 0111469, adopted March 5, 2002; and

**WHEREAS**, RACM has issued its Cathedral Place Parking Facility Revenue Bonds Series 2002 (the “Bonds”) in order to fund portions of the Project owned by RACM and City has provided its Moral Obligation in support of the Bonds pursuant to the Development and Cooperation Agreement; and

**WHEREAS**, RACM and JP Morgan Chase Bank, N.A., (the “Letter of Credit Bank”) have entered into a First Amendment to Letter of Credit and Reimbursement Agreement dated as

of August 27, 2007 which sets forth RACM's repayment obligations in conjunction with draws, if any, on the Letter of Credit issued by the Letter of Credit Bank in support of the Bonds; and

**WHEREAS**, City and RACM desire to enter into this Agreement in order to acknowledge City's commitment to provide funding to RACM in the event of any draws under the Reimbursement Agreement by entering into this Agreement; and

**WHEREAS**, Rather than immediately funding a grant to RACM for the purpose of paying any amounts which may become due under the Reimbursement Agreement, the City and RACM desire to enter into this Agreement in order to establish a procedure pursuant to which such funding may be available in the event that it becomes necessary; and

**WHEREAS**, RACM authorized execution of this Agreement on \_\_\_\_\_, 2010, and the City authorized execution of this Agreement by Resolution No. \_\_\_\_\_ adopted \_\_\_\_\_, 2010.

**NOW, THEREFORE**, The parties hereby mutually agree as follows:

1. RACM agrees to implement and to carry out its obligations and to make payments, if any, under the Reimbursement Agreement and to apply any and all payments from the City received under this Agreement to make such Payments under the Reimbursement Agreement. The City agrees to provide RACM an amount necessary to carry out RACM's repayment obligations under the Reimbursement Agreement, including the funding of a grant to RACM, said funds being provided in aid of the Project. In order to provide for the ongoing availability of funding to fulfill the payment obligations under the Reimbursement Agreement, the City shall, each year during the term of the Reimbursement Agreement, ensure through its annual budget the continued availability of funds to fund a grant to RACM in order to allow RACM to meet its payment obligations under the Reimbursement Agreement. In the event that

the City fails to provide for the availability of funds in the subsequent year's budget by December 1<sup>st</sup> of any calendar year while the Reimbursement Agreement remains in effect, then the City shall immediately pay to RACM an amount equal to the amount of the unpaid and outstanding principal amount of the Bonds. The City's Comptroller shall annually certify the availability of funds in the subsequent year's budget by December 1<sup>st</sup>.

2. In the event that RACM receives a notice requesting payment pursuant to the Reimbursement Agreement during its term, it shall provide written notice to the City Comptroller and the City Comptroller shall immediately provide for the issuance of the notes necessary to fund a grant to RACM in an amount equal to the amount due pursuant to the Reimbursement Agreement. It is the intent of the parties that such actions be undertaken and the grant to RACM funded within the \_\_\_\_\_ (\_\_\_\_) day period established for payment under the terms of the Reimbursement Agreement. Such funds are to be made available to RACM upon requisition by the Assistant Executive Director according to a procedure mutually agreed upon between the City Comptroller and the Assistant Executive Director. The requisition funds, to the extent received by RACM, shall be placed in a separate bank account by RACM and shall not be commingled with other funds of RACM.

3. Administration of the Grant. The City Comptroller shall review and approve the accounting and financial reporting systems necessary to administer the grant.

4. Use of Fund. Funds granted by the City to RACM shall be utilized solely for the purpose of making payments due under the Reimbursement Agreement.

5. Verification by Comptroller. The City Comptroller, from time to time as in the Comptroller's judgment is appropriate, shall review the receipts and expenditures of RACM in connection with the Project and the Comptroller shall make an accounting to the City. The



Comptroller may conduct an audit and report to the Common Council with respect to the result of such audit.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year set forth on page one of this Agreement.

**CITY OF MILWAUKEE**

By: \_\_\_\_\_  
Tom Barrett, Mayor

By: \_\_\_\_\_  
Ronald D. Leonhardt, City Clerk

**COUNTERSIGNED:**

By: \_\_\_\_\_  
W. Martin Morics, Comptroller

**REDEVELOPMENT AUTHORITY  
OF THE CITY OF MILWAUKEE**

By: \_\_\_\_\_  
\_\_\_\_\_, Chair

By: \_\_\_\_\_  
David P. Misky, Executive Director/Secretary

Approved as to form, execution and content  
this \_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Assistant City Attorney

This instrument was drafted by the

Office of the City Attorney

1050-2005-1950:154122

# CITY OF MILWAUKEE FISCAL NOTE

A) **DATE** 02/18/10

**FILE NUMBER:** 091367

Original Fiscal Note  Substitute

**SUBJECT:** Substitute resolution approving Amendment No. 1 to the Cooperation, Contribution and Redevelopment Agreement for Tax Incremental District No. 49, Cathedral Place, 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
<b>SALARIES/WAGES:</b>					
<b>SUPPLIES:</b>					
<b>MATERIALS:</b>					
<b>NEW EQUIPMENT:</b>					
<b>EQUIPMENT REPAIR:</b>					
<b>OTHER:</b>					
<b>TOTALS</b>					

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:**

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H) **COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:**

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PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

