



City of Milwaukee

City Hall
200 East Wells Street
Milwaukee, WI 53202

Meeting Agenda - Final 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

Tuesday, October 27, 2009

9:00 AM

Room 301-B, City Hall

Amended 10/23/09

1. [090216](#) A substitute ordinance relating to a change in zoning from General Planned Development to a Detailed Planned Development known as Shiloh Manor, for a 45-unit housing development for seniors, on land located East of North Dr. Martin Luther King Jr. Drive and South of West Keefe Avenue, in the 6th Aldermanic District.

 Sponsors: Ald. Coggs

2. [090701](#) Resolution permitting a minor modification to a Detailed Planned Development known as Latitude, on land located West of North Farwell Avenue and South of East Kenilworth Place, in the 3rd Aldermanic District.

 Sponsors: Ald. Kovac

3. [090428](#) A substitute ordinance relating to vacant building registration and requirements.

 Sponsors: Ald. Davis, Ald. Kovac, Ald. Wade, Ald. Bohl and Ald. Hines Jr.

4. [090429](#) A substitute ordinance establishing a residential rental certificate in a designated residential area.

 Sponsors: Ald. Kovac, Ald. Davis and Ald. Hines Jr.

5. [090535](#) Substitute ordinance relating to a change in zoning from Industrial-Light to a Detailed Planned Development known as Milwaukee's Asian Markets Phongsavan, on land located East of North 76th Street and South of West Mill Road, in the 2nd Aldermanic District.

 Sponsors: THE CHAIR

6. [090791](#) Resolution approving Amendment No. 1 to the Project Plan for Tax Incremental District No. 56, Erie/Jefferson Street Riverwalk, in the 4th Aldermanic District.

 Sponsors: THE CHAIR

7. [090790](#) Communication from the Department of City Development relating to the Neighborhood Improvement Development Corporation's annual report regarding use of Kilbourn

Tower Settlement Agreement funds.

Sponsors: THE CHAIR

10:30 A.M.

8. [090687](#) Resolution authorizing additional funding for Tax Incremental District No. 48, Park East, and approving the terms of a Development Agreement for the property located at 1141 North Old World Third Street, in the 4th Aldermanic District.

Sponsors: Ald. Bauman

- 9a. [081081](#) Substitute ordinance relating to the change in zoning from General Planned Development to a Detailed Planned Development known as Bookends North, for a 19-story, mixed-use building with up to 224 residential units, on land located on the North Side of East Kilbourn Avenue and East of North Van Buren Street, in the 4th Aldermanic District.

Sponsors: Ald. Bauman

- 9b. [090805](#) Substitute resolution approving the terms of a Cooperation and Development Agreement for the property located at 700 East Kilbourn Avenue, in the 4th Aldermanic District.

Sponsors: Ald. Bauman

10. [090841](#) Reappointment of Georgia Cameron to the Board of Zoning Appeals by the Mayor.

Sponsors: THE CHAIR

This meeting will be webcast live at 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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Persons engaged in lobbying as defined in s. 305-43-4 of the Milwaukee Code of Ordinances are required to register with the City Clerk's Office License Division. Registered lobbyists appearing before a Common Council committee are required to identify themselves as such. More information is available at www.milwaukee.gov/lobby.



Legislation Details (With Text)

File #: 090216 **Version:** 1

Type: Ordinance **Status:** In Committee

File created: 6/16/2009 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: A substitute ordinance relating to a change in zoning from General Planned Development to a Detailed Planned Development known as Shiloh Manor, for a 45-unit housing development for seniors, on land located East of North Dr. Martin Luther King Jr. Drive and South of West Keefe Avenue, in the 6th Aldermanic District.

Sponsors: ALD. COGGS

Indexes: HOUSING, PLANNED UNIT DEVELOPMENTS, ZONING, ZONING DISTRICT 06

Attachments: Exhibit A as of 9-24-09, Exhibit A Continued as of 9-24-09, Proposed Zoning Change Map, City Plan Commission Letter, Affidavit for Zoning Change, Updated Landscape Plan, Notice Published 9-21-09 and 9-28-09, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
6/16/2009	0	COMMON COUNCIL	ASSIGNED TO		
6/18/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
9/14/2009	1	CITY CLERK	DRAFT SUBMITTED		
9/21/2009	1	CITY CLERK	PUBLISHED		
9/30/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/1/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/1/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/6/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number

090216

Version

SUBSTITUTE 1

Reference

071179

Sponsor

ALD. COGGS

Title

A substitute ordinance relating to a change in zoning from General Planned Development to a Detailed Planned Development known as Shiloh Manor, for a 45-unit housing development for seniors, on land located East of North Dr. Martin Luther King Jr. Drive and South of West Keefe Avenue, in the 6th Aldermanic District.

Analysis

This zoning change will allow for the construction of a four-story building with 45 units of housing for seniors.

Body

The Mayor and Common Council of the City of Milwaukee ("Common Council"), do ordain as follows:

Part 1. There is added to the Milwaukee Code of Ordinances ("Code") a new section to read as follows:

Section 295-907(2)(c).0147.

(1) In accordance with the provisions of Section 295-907 of the Code relating to the establishment of planned development districts, the Common Council approves the subject Detailed Planned Development, 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.

(2) The zoning map is amended to change the zoning for the area described and bounded as follows:

The zoning line along the right-of-way of North Dr. Martin Luther King Jr. Drive, the zoning line along the right-of-way of North Port Washington Avenue and the zoning line along the right-of-way of West Keefe Avenue from General Planned Development (GPD) to Detailed Planned Development (DPD).

(3) The requirements set forth in said detailed plan attached to this Common Council File as Exhibit A, constitute the zoning regulations for the area contained in such planned development district described, provided further, that the effect of the approval of such detailed plan is that such plan shall limit and control construction, location, use and operation of all land and structures included within the detailed plan to all conditions and limitations set forth in such detailed plan.

Part 2. Any persons, firm, company or corporation owning, controlling or managing any building or premises wherein or whereon there shall be placed or there exists anything in violation of the terms of this ordinance; or who shall build contrary to the plans or specifications submitted to and approved by the Commissioner of the Department of City Development, or any person, firm, company or corporation who shall omit, neglect or refuse to do any act required in this ordinance shall be subject to the penalties provided in Section 200-19 of the Code.

Part 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions. The

Common Council declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase or portion irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases or other portions be declared void or invalid.

Drafter

DCD:AJF:ajf
09/14/09



SHILOH MANOR AT FIVE POINTS
3418 N. Martin Luther King Jr. Drive
Milwaukee

DETAILED PLAN SUBMITTAL

Detailed Plan Project Description and Owners Statement of Intent

I. Project Overview

The Volunteers of America National Services ("Volunteers of America") and the Shiloh Tabernacle UHCA Church ("Shiloh Church") plan to jointly develop a 45 unit apartment building with services ("the Project") for low income seniors on a site located at 3418-3428 N. Martin Luther King Jr. Drive. There is currently a need for affordable, assisted living within the City of Milwaukee where there are a significant number of low-income seniors. The Wisconsin Housing and Economic Development Authority ("WHEDA") in cooperation with the Wisconsin Department of Health and Family Services ("DHFS") offers resources that allow developers to produce affordable rental housing with services so that seniors may stay independent and age in place. This is accomplished by coupling financing provided through WHEDA's 9% Low-Income Housing Tax Credit (LIHTC) program for the construction of a Residential Care Apartment Complex ("RCAC") with DHFS' Family Care program to bring in services to qualified residents. The Volunteers of America was awarded LIHTC's in April 2009.

A. The Partners

Volunteers of America ("VOA") will be the primary developer and owner of the property. VOA is a non-profit organization and is one of the nation's largest providers of affordable housing with thousands of units across the U.S. The Wisconsin affiliate of VOA has been in existence since 1929 and currently operates 157 units of housing. In fact, VOA owns and operates a 12 unit property at 3261 N. Martin Luther King Jr. Drive, a few blocks from the proposed site. Under the leadership of Jim Stewart, VOA Wisconsin President and CEO, the organization is expanding services to the frail elderly and disabled in the Milwaukee area.

Shiloh Church is a development partner and will coordinate the community outreach effort and provide spiritual services to the tenants. The Shiloh Church is located at 3436 N. Port Washington Road and owns the proposed project site located across the street from the church building. Shiloh Church has been operating in the Milwaukee community for 54 years. Reverend Charles Jordan is the leader of the 120 member congregation. Shiloh has a long history of service to the community going back to 1966 when the then leader, Lady Pitts, founded a school for unwed teens which continues within the MPS system today. Shiloh Church has operated a relocation program for Cuban refugees and a meal program for disadvantaged families in the neighborhood.

B. The Property

PRINCIPALS
Stephen J. Alexander, AIA
Eugene R. Guskowski, AIA

SENIOR ASSOCIATES
John Joseph Cronin, AIA
Gene Krueger, Assoc. AIA
Anthony J. Luciano, P.E.
Michael P. Mikecz, NSPE
Tracey R. Schnick, AIA
Joseph Silvers, AIA
Cynthia A. Lofy, CPA

The site is located at 3418-3428 N. Martin Luther King Jr. Drive in an area known as the Five Corners. Please note that the parcel located at the north end of the site at 3458 N. Martin Luther King Jr. Drive is owned by the City of Milwaukee and is currently being vacated. Upon vacation, the parcel will be joined with the parcels located at 3418-3428 N. Martin Luther King Jr. Drive.

The proposed development will consist of a 4-story structure with surface parking for up to 12 vehicles. The building will consist of 45 apartment units with 42-one bedroom units and 3-two bedroom units. Common areas will include a commercial kitchen, dining room, multipurpose room, computer lab, fitness room/wellness center, beauty/barber shop, laundry facilities, staff offices, outdoor garden area and sheltered patio. The majority of the common space will be located on the first floor. At least half of the building will be certified as a Residential Care Apartment Complex ("RCAC") and as such, will be regulated by the Wisconsin Department of Health and Family Services. An RCAC provides a combination of housing, meals and support services for people with long term care needs. This setting will provide a home-like, non-institutional environment where units are recognized as private residences and have all the features of a regular apartment unit.

There will be active programming in place for the residents of the building and, therefore, the majority of the common space will be on the first floor. As such, there will be no "blank walls" to the street, but rather significant transparency to bring light into the common space areas. Discussions have been held with the Clinton and Bernice Rose Senior Center located at 3045 N Martin Luther King Jr. Drive and Interfaith Older Adult Programs about opportunities for programming out of the Shiloh Manor building that would appeal to seniors who live in the surrounding neighborhood. Therefore, both the building design and programming will be developed to support the concept of aging in the community to encourage the building residents to stay involved in the neighborhood as well as presenting opportunities for the neighborhood to be involved with the building tenants.

C. The Tenants

The Project will be open to tenants who are 55 years of age and older and who have incomes of less than 60% of the County Median Income. All units will have some form of rent and income restriction in accordance with WHEDA's guidelines and those of other funding sources. The Project will serve a mix of independent seniors and those who require assisted living services in order to remain independent in the community.

Family Care is a Medicaid waiver program that pays for income-qualified frail seniors to receive services where they live. Seniors who qualify for Family Care will have on-site services provided to them either by VOA or other community providers as required.

D. The Operations

The Project will be managed by ACC Management Group which has a long history in the management of affordable housing developments and currently manages two tax credit projects in the Milwaukee area. ACC will be responsible for property management including building oversight and administration, rent collections and

billing, and maintenance. The on-site supportive services will be provided through a contract between Milwaukee County Department on Aging's Family Care program and VOA. ACC and the VOA will work closely together to resolve any resident and community issues that may arise.

II. Statistical Information

- A. Gross land area: 30,286.41 sq. ft. or 0.695 acres.
- B. Maximum amount of land covered by principal building: 11,280 sq. ft. or 0.25 acres.
- C. Maximum amount of land devoted to parking, drives and parking structures: 7,012 sq. ft.
- D. Minimum amount of land devoted to landscaped open space: 10,897 sq. ft. or 0.25 acres.
- E. Maximum proposed dwelling unit density if residential and/or total square footage devoted to non-residential uses: 1 dwelling unit per 673 sq. ft. of land.
- F. Proposed number of buildings: 1
- G. Maximum number of dwelling units per building: 45
- H. Bedrooms per unit: 42-one bedroom and 3-two bedroom
- I. Parking spaces provided, whether surface or in structures and ratio per unit if residential or per thousand square feet of building are if non-residential: 12 surface spaces, which is .266 spaces per unit. It should be noted that tenants who live in the RCAC portion of the building and are receiving assisted living services are unlikely to drive. A van will be provided to offer transportation to those residents who are no longer driving.

III. District Standards

- A. Uses
VOA and Shiloh Church, respectfully request the use allowed for this Planned Development including: residential multifamily, up to 45 units, with related community space, parking and supportive services.
- B. Design Standards
The specific design standards to be applied to this project are included in the attached Site Plan.
- C. Density
The Project is located within the Northeast Side Comprehensive Plan area. The Comprehensive Plan for this area of Milwaukee is under development and is anticipated to be completed in April 2008. Jim Stewart from VOA and Reverend

Charles Jordan from the Shiloh Church have been participating in Harambee North Neighborhoods Plan Initiative. Implementation strategies have been identified and one of which is to "expand, maintain and preserve affordable housing opportunities for low-income residents and develop resources for residents who want to stay in the community". Furthermore, the Neighborhood Action Plan states the object to "facilitate the development of higher density senior housing and other rental housing along Martin Luther King Jr. Drive". The Project is consistent with this strategic goal and is in alignment with proposed redevelopment plans for the Five Points Exchange Project – an identified northern gateway for the neighborhood.

- D. Space Between Structures
There will only be one structure on the site.
- E. Setbacks
The setback requirement of 25 feet for Planned Developments only applies to lots that are five acres or more. The Project's lot is only 0.67 acres and, therefore, this requirement is not applicable to the Project.
- F. Screening
The building shall be screened from existing or proposed business or industrial uses on or adjacent to the site. Screening shall consist of decorative walls, fences, hedges, shrubs, trees or combinations thereof, appropriate to the surrounding neighborhood.
- G. Open Space
All open spaces depicted on the Site Plan shall be landscaped and maintained so as not to create a nuisance or hazardous conditions.
- H. Circulation, Parking and Loading
All parking is surface parking. Adequate access for pedestrians and public and private vehicles shall be provided. There is an existing pedestrian sidewalk along each of the three perimeters of the site that will be maintained.
- I. Landscaping
All required vegetation shall be of a quality consistent with the standards of the American Association of Nurserymen (AAN 260.1). All vegetation depicted on the Site Plan shall be maintained on an ongoing basis, including seasonal tree and plant replacement.
- J. Lighting
Pursuant to City of Milwaukee Ordinances §295-409, the Project shall have cut-off fixtures that ensure that lighting levels and glare are controlled as follows:
 - 1. No light source shall be visible from an adjoining property or public right-of-way, and
 - 2. Where adjoining properties are zoned residential, the maximum illumination at a property line shall be one foot-candle. In all other

circumstances, the maximum illumination at a property line shall be 5 foot candles.

K. Utilities

All utility lines shall be installed underground. Any new transformers and substations, if any, shall be installed within buildings or otherwise screened from view.

L. Signs and Sign Standards

The following signs will be part of the Project:

1. Temporary Signs during construction: The Project may include up to three (3) temporary construction signs during construction that will be located on one or more of the three surrounding streets; Keefe Avenue, Port Washington Road and N. Martin Luther King Jr. Drive. Each sign shall not exceed 8' x 4' each. The material of each sign shall be Screen Printed plywood or similar rigid material. The purpose of each sign may include:
 - a. A sign required by the Wisconsin Housing and Economic Development Authority identifying the Project as a WHEDA tax credit project.
 - b. A sign required or requested by Project financing entities or financial supporters to the Project, and
 - c. A sign identifying Project Partners.
2. Permanent Sign - Building Name: Since this Project will be visible to pedestrian and vehicular traffic from all sides of the building, it is important to have permanent signage on at least two sides of the building. The Project will include one permanent freestanding sign located at the east side of the site along Port Washington Road. This sign shall not exceed 32 sq. ft. A sign will be located on a wall parallel to Keefe Avenue to the north. This sign shall not exceed 25 square feet. The purpose of the signs is to include the Project's Name. The final plans for these signs will be submitted to the City as part of the Detailed Development Plan.
3. Periodic Sign – Leasing: The Project may include one rental sign located on the north, west or east elevation. The sign shall not exceed 48 sq. ft. Materials will be printed vinyl or similar material. The purpose of the sign is to advertise units available for lease. The sign may be displayed until all units are initially leased. After initial lease up, the sign may be displayed at times when vacancies are available.

M. Sign Illumination

If signs are illuminated, the source of illumination will not be visible or intermittent.

N. Exterior

The building materials will be brick, glass, and cement fiber panels with coordinating trim. The dumpster enclosure will be clad in cement fiber board panels to match the building. Aluminum storefront will be used in the common spaces fronting Martin

Luther King Jr. Drive. There will be a 6'-0" decorative aluminum fence at the south end of the site and at the northwest corner of the site along Martin Luther King Drive. They will be similar in appearance to the balcony railings. The walls located at the corner of MLK and Keefe and parallel to Keefe will be of brick construction. The stepped retaining wall along Port Washington Road and the parking will be of Keystone masonry units with a thinner contrasting cap. The top of the wall will be at elevations consistent with the grades. Landscape plans will be modified in order to provide some cascading plants along the top of the Keystone wall. Open spaces will include landscaped areas including a patio and pedestrian facilities as shown on the site plan.

Shiloh Manor

At Five Points

3418-3458 N. Martin Luther King Jr. Drive
Milwaukee, WI

Common Council #090216



OWNER

**VOLUNTEERS OF AMERICA
NATIONAL SERVICES (VOANS)**

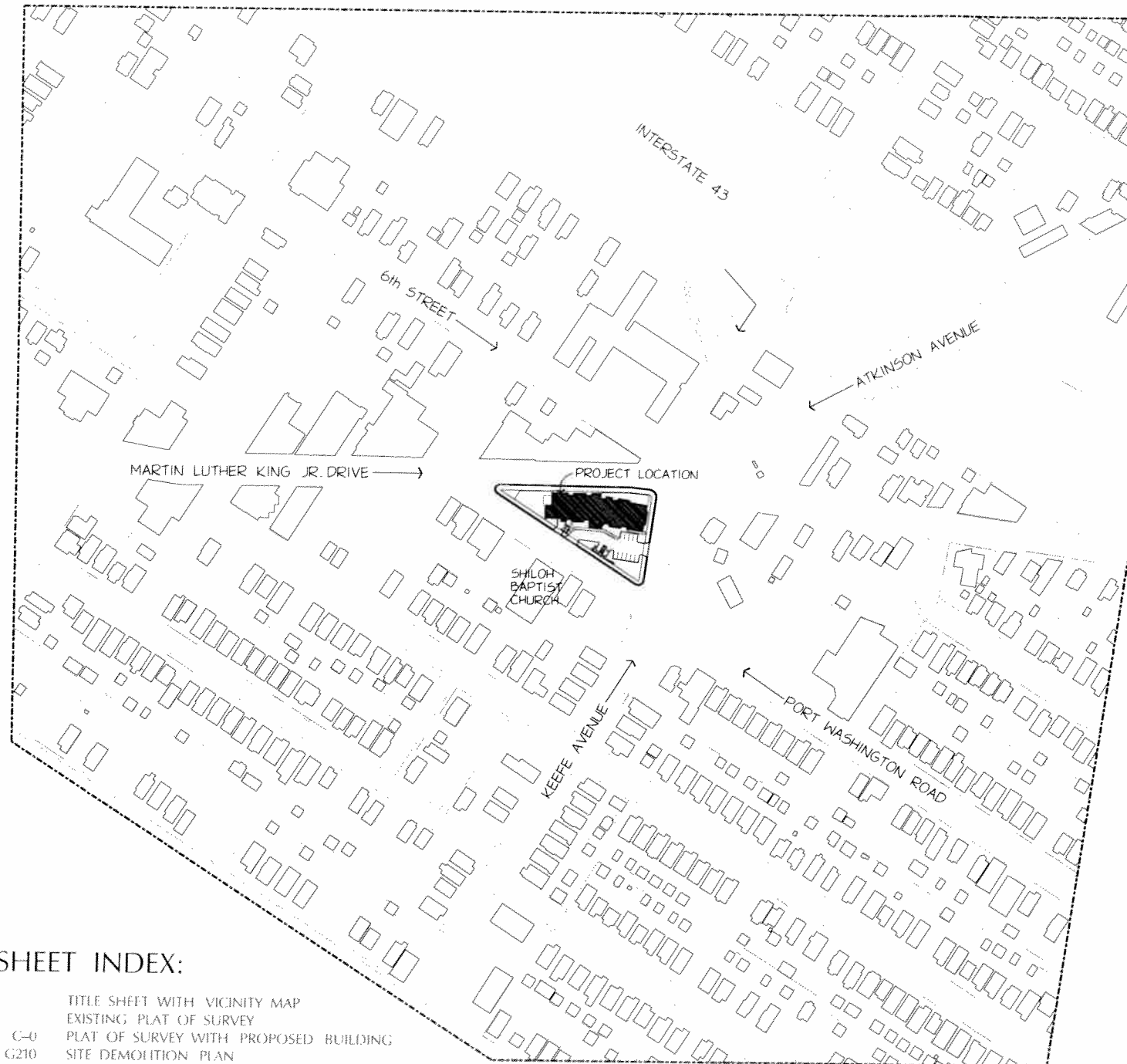
1660 Duke Street
Alexandria, VA 22314

DETAILED PLAN DEVELOPMENT

AG PROJECT NUMBER: 080101
DATE: 31 AUGUST 2009



1414 UNDERWOOD AVE WAUWATOSA, WI 53213 414.431.3131 TEL 414.431.0531 FAX WWW.AGARCH.COM



VICINITY MAP - N.T.S.

SHEET INDEX:

	TITLE SHEET WITH VICINITY MAP
	EXISTING PLAT OF SURVEY
C-0	PLAT OF SURVEY WITH PROPOSED BUILDING
G210	SITE DEMOLITION PLAN
G220	SITE PLAN
C-1	GRADING AND EROSION CONTROL PLAN
C-2	UTILITY PLAN
C-3	PAVING PLAN
	LANDSCAPE PLAN
EG220	PHOTOMETRIC POINT BY POINT SITE PLAN
A500	EXTERIOR BUILDING ELEVATIONS WITH SITE SIGNAGE
A501	EXTERIOR BUILDING ELEVATIONS

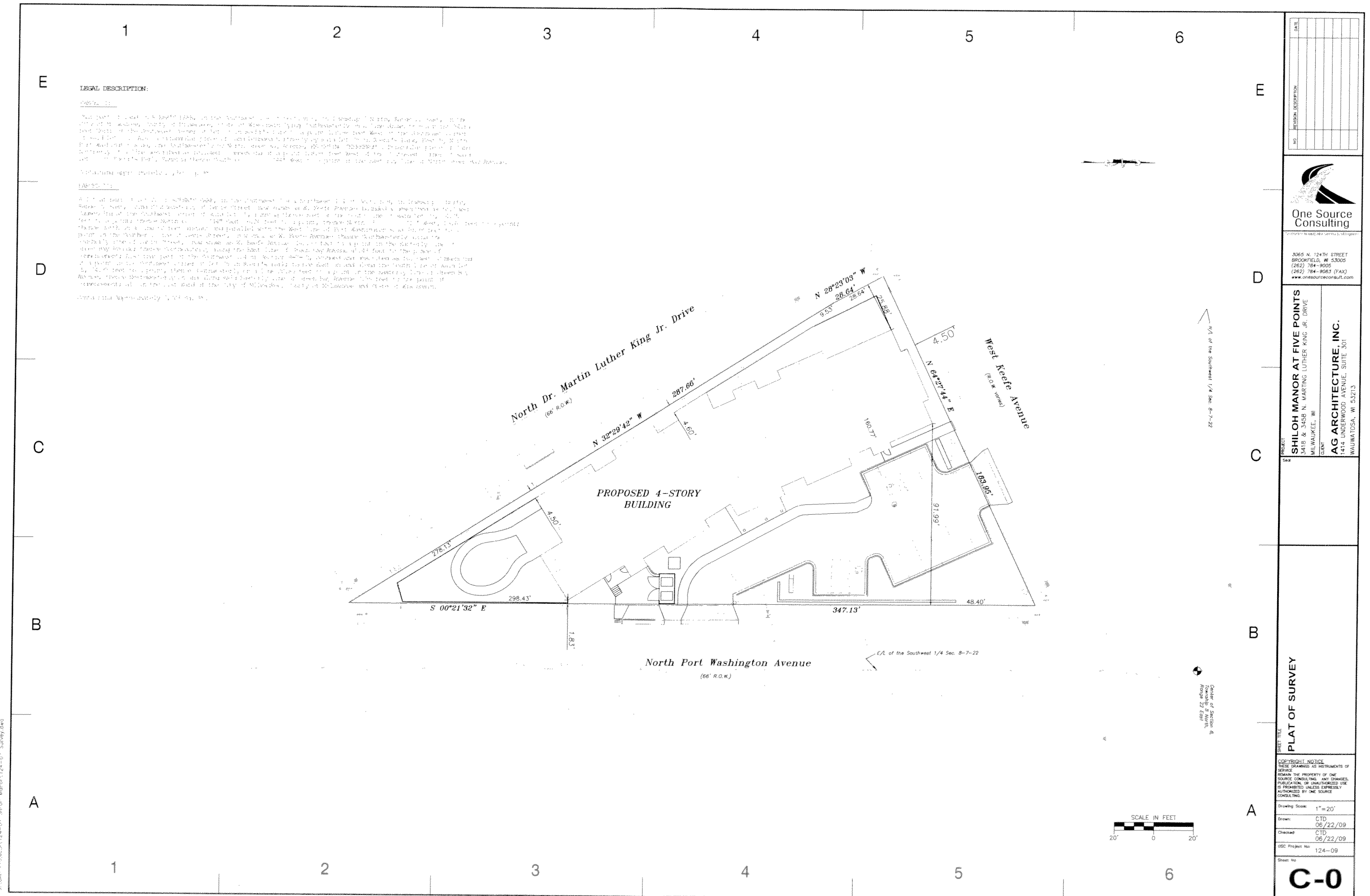
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Journal of Management Studies, 19(1), 67-80
© Blackwell Publishers Ltd. 1996

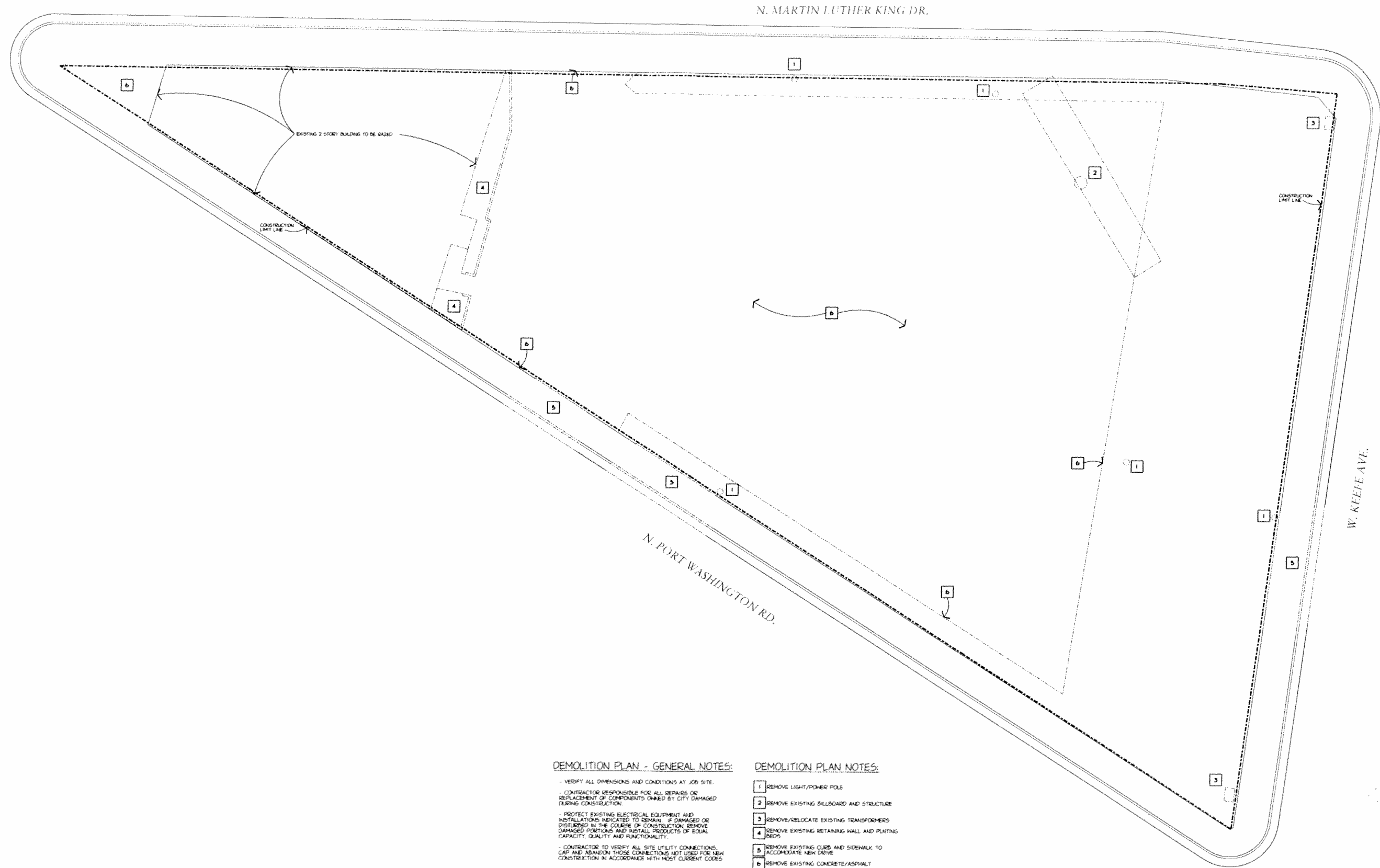


HEREOF.

 Registered Land Surveyor S-2421



PLANNING DEPARTMENT - CITY OF MILWAUKEE
1000 N. MICHIGAN AVE., 10TH FLOOR
MILWAUKEE, WI 53233
TEL: 414.223.3100
FAX: 414.223.3101
WWW.CITYOFMILWAUKEE.ORG



DEMOLITION PLAN - GENERAL NOTES:

- VERIFY ALL DIMENSIONS AND CONDITIONS AT JOB SITE.
- CONTRACTOR RESPONSIBLE FOR ALL REPAIRS OR REPLACEMENT OF COMPONENTS OWNED BY CITY DAMAGED DURING CONSTRUCTION.
- PROTECT EXISTING ELECTRICAL EQUIPMENT AND INSTALLATIONS INDICATED TO REMAIN. IF DAMAGED OR DISTURBED IN THE COURSE OF CONSTRUCTION, REMOVE DAMAGED PORTIONS AND INSTALL PRODUCTS OF EQUAL CAPACITY, QUALITY AND FUNCTIONALITY.
- CONTRACTOR TO VERIFY ALL SITE UTILITY CONNECTIONS, CAP AND ABANDON THOSE CONNECTIONS NOT USED FOR NEW CONSTRUCTION IN ACCORDANCE WITH MOST CURRENT CODES.

DEMOLITION PLAN NOTES:

- 1 REMOVE LIGHT/POWER POLE
- 2 REMOVE EXISTING BILLBOARD AND STRUCTURE
- 3 REMOVE/RELOCATE EXISTING TRANSFORMERS
- 4 REMOVE EXISTING RETAINING WALL AND PLANTING BEDS
- 5 REMOVE EXISTING CURB AND SIDEWALK TO ACCOMMODATE NEW DRIVE
- 6 REMOVE EXISTING CONCRETE/ASPHALT

1" = 10' SITE DEMOLITION PLAN G210

Wisconsin

Shiloh Manor
at Five Points

Milwaukee



1414 UNDERWOOD AVE.
MILWAUKEE, WI 53233
414.431.5131
414.431.5651 FAX
WWW.JGAARCH.COM

Revisions

REVISIONS

DRAWN BY
DRN
DATE
11 AUG 2009
PROJECT
080101
3-1447-140

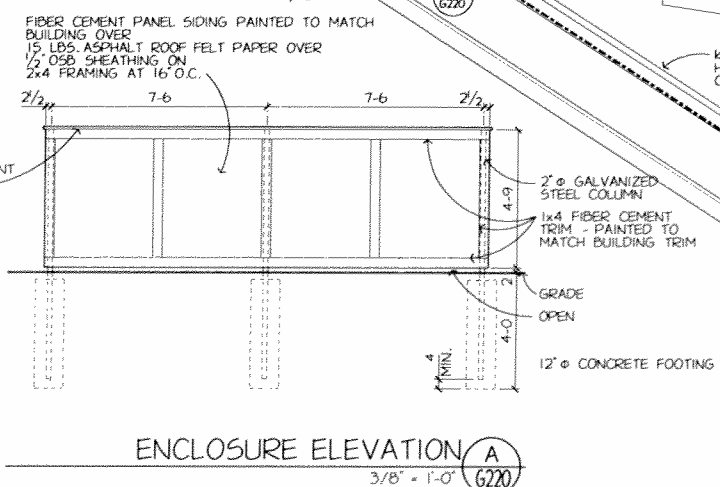
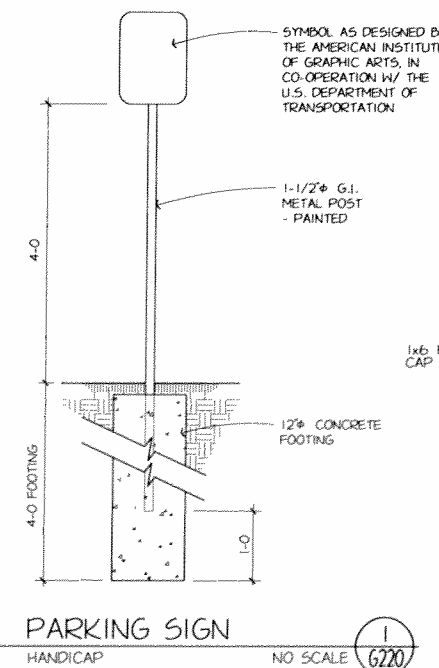
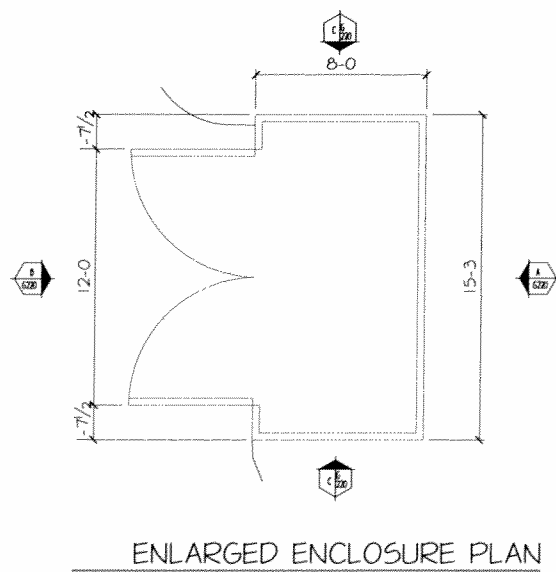
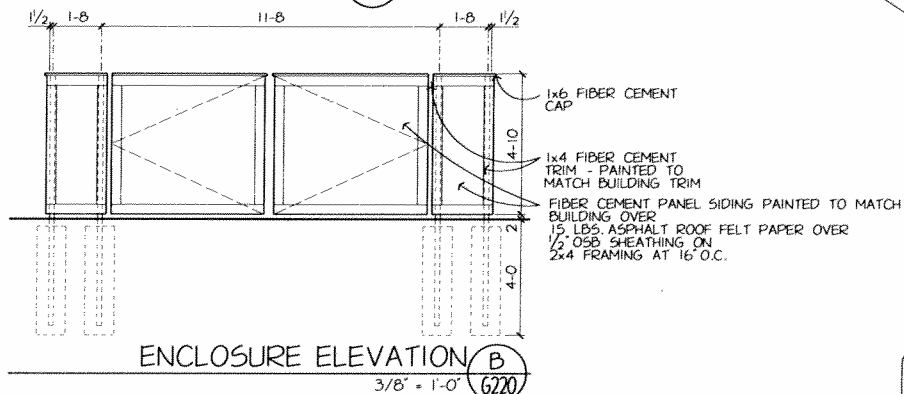
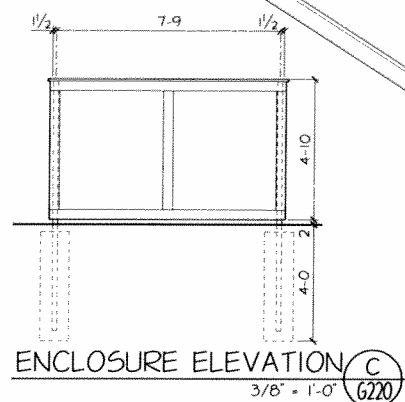
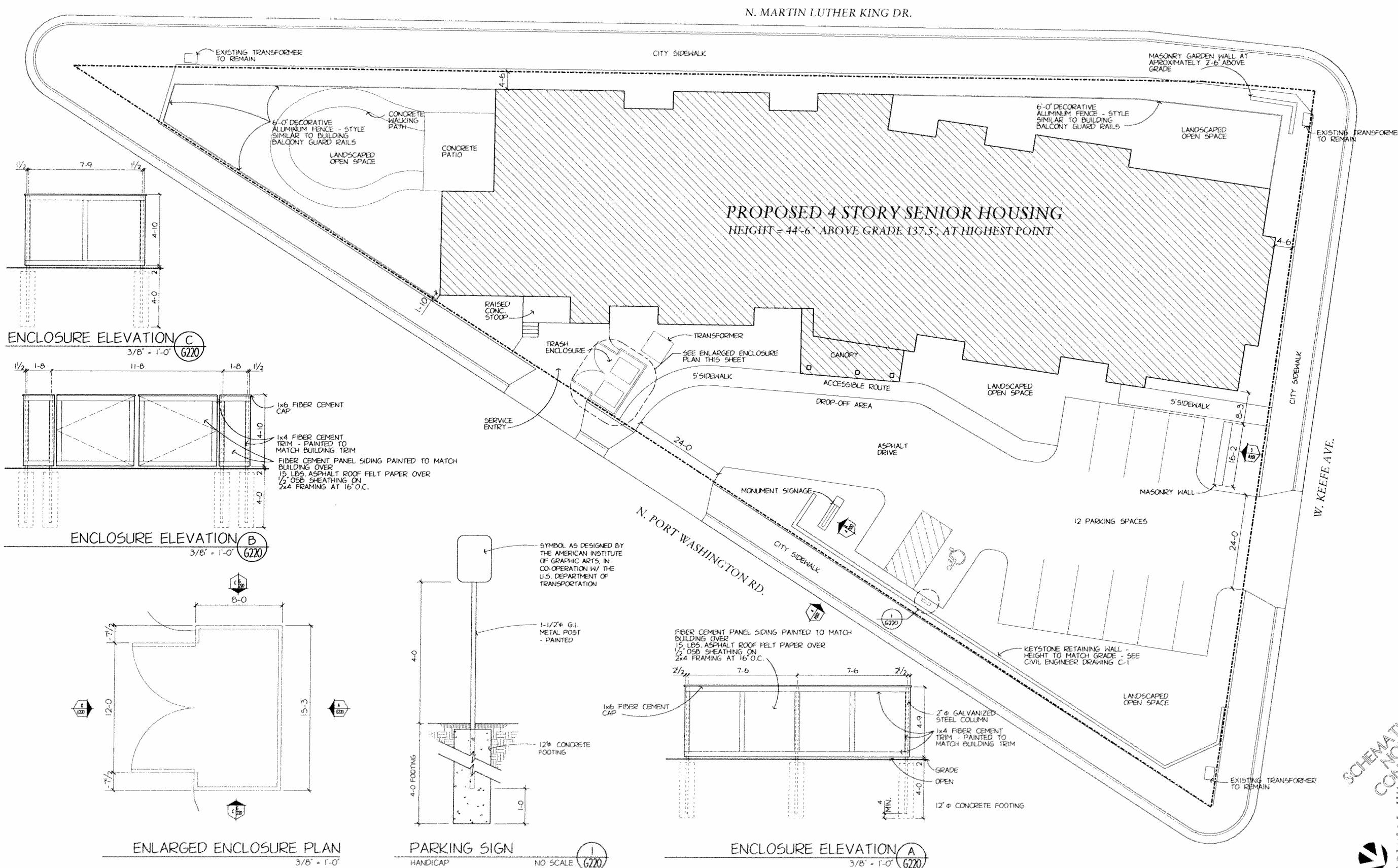


1474 UNDERWOOD AVE.
WAUKESHA, WI 53186
TEL: 414.431.2131 FAX: 414.431.8831
WWW.G220.COM
G220 ENGINEERING & PLANNING, INC.
REV: 10/06

SCHEMATIC DESIGN
NOT FOR
CONSTRUCTION

DRAWN BY
DRN
DATE
31 AUG 2009
PROJECT
080101
SHEET NO.

1" = 10' SITE PLAN G220



PROPOSED 4-STOREY SENIOR HOUSING, 1474 UNDERWOOD AVE., WAUKESHA, WI 53186. THIS SHEET IS A SCHEMATIC DESIGN AND NOT FOR CONSTRUCTION. IT IS THE RESPONSIBILITY OF THE USER TO OBTAIN ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES. THE USER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES. THE USER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.

1 MAINTENANCE PLAN

- ALL EROSION AND SEDIMENT CONTROL PRACTICES WILL BE INSPECTED FOR FUNCTIONAL EFFECTIVENESS FOLLOWING EVERY 1/2-INCH RAIN EVENT AND IN NO CASE LESS THAN ONCE PER WEEK. ANY NEEDED REPAIRS WILL BE MADE IMMEDIATELY TO ENSURE THE DEVICE FUNCTIONS AS DESIGNED.
- ALL SEEDED AREAS WILL BE WATERED, FERTILIZED, MULCHED AND RESEED AS NECESSARY TO MAINTAIN A VIGOROUS, DENSE VEGETATIVE COVER.
- ANY SEDIMENT REACHING A PUBLIC OR PRIVATE STREET SHALL BE REMOVED BY STREET CLEANING BEFORE THE END OF EACH DAY OR AS NECESSARY TO PREVENT DEBRIS FROM ENTERING A STORM SEWER, DITCH, OR WATERWAY.
- AREAS INACTIVE DURING THE NON-GROWING SEASON MUST BE STABILIZED WITH ANIONIC POLYACRYLAMIDE (GRANULAR) WITH TEMPORARY SEED. SEE WDNR TECHNICAL STANDARD 1050. IN MAY BE NECESSARY MAKE SUPPLEMENTAL APPLICATIONS FOLLOWING CONDITIONS THAT RESULT IN RUNOFF DUE TO WARM MID WINTER TEMPERATURES.
- IN THE EVENT CONSTRUCTION ACTIVITIES RESULT IN SEVERE DUST CONDITIONS, SEE WDNR TECHNICAL STANDARD 1068.
- IN THE EVENT OF DEWATERING ACTIVITIES, FOLLOW WDNR TECHNICAL STANDARD 1061. ALL WATER DISCHARGED FROM THE DEWATERING EQUIPMENT MUST BE FILTERED BY A TYPE II GEOTEXTILE BAG SIZED FOR THE PUMP DISCHARGE FLOW RATE.

CONSTRUCTION SCHEDULE

- OBTAIN PLAN APPROVAL AND APPLICABLE PERMITS.
- INSTALL OFF-SITE INLET PROTECTION DEVICES
- INSTALL PERIMETER EROSION CONTROL WHERE REQUIRED BY SLOPES
- INSTALL CONSTRUCTION EXIT
- STRIP AND STOCKPILE TOPSOIL WITHIN DISTURBANCE LIMITS
- TEMPORARY STOCKPILES SHALL BE PROTECTED WITH STRAW BALES, SILT FENCE, INTERCEPTOR SWALES, SEDIMENT TRAP OR OTHER PERMITTER CONTROL MEASURES.
- ROUGH GRADE FOR PROPOSED IMPROVEMENTS
- INSTALL AND SHAPE BAS COURSE
- COMPLETE ASPHALT AND CONCRETE PAVING
- FINAL GRADE, TOPSOIL, INSTALL PLANT MATERIAL, SEED AND STABILIZE ALL DISTURBED AREAS.
- AFTER SITE IS STABILIZED, REMOVE ALL TEMPORARY MEASURES AND VEGETATE THE DISTURBED AREAS.
- ESTIMATED TIME TO FINAL STABILIZATION - 8 MONTHS FROM THE START OF CONSTRUCTION ACTIVITIES

SUMMARY OF IMPERVIOUS AREAS

TOTAL SITE: 0.67 AC

IMPERVIOUS SURFACE:

EXISTING: 20,237 SF

PROPOSED: 23,442 SF

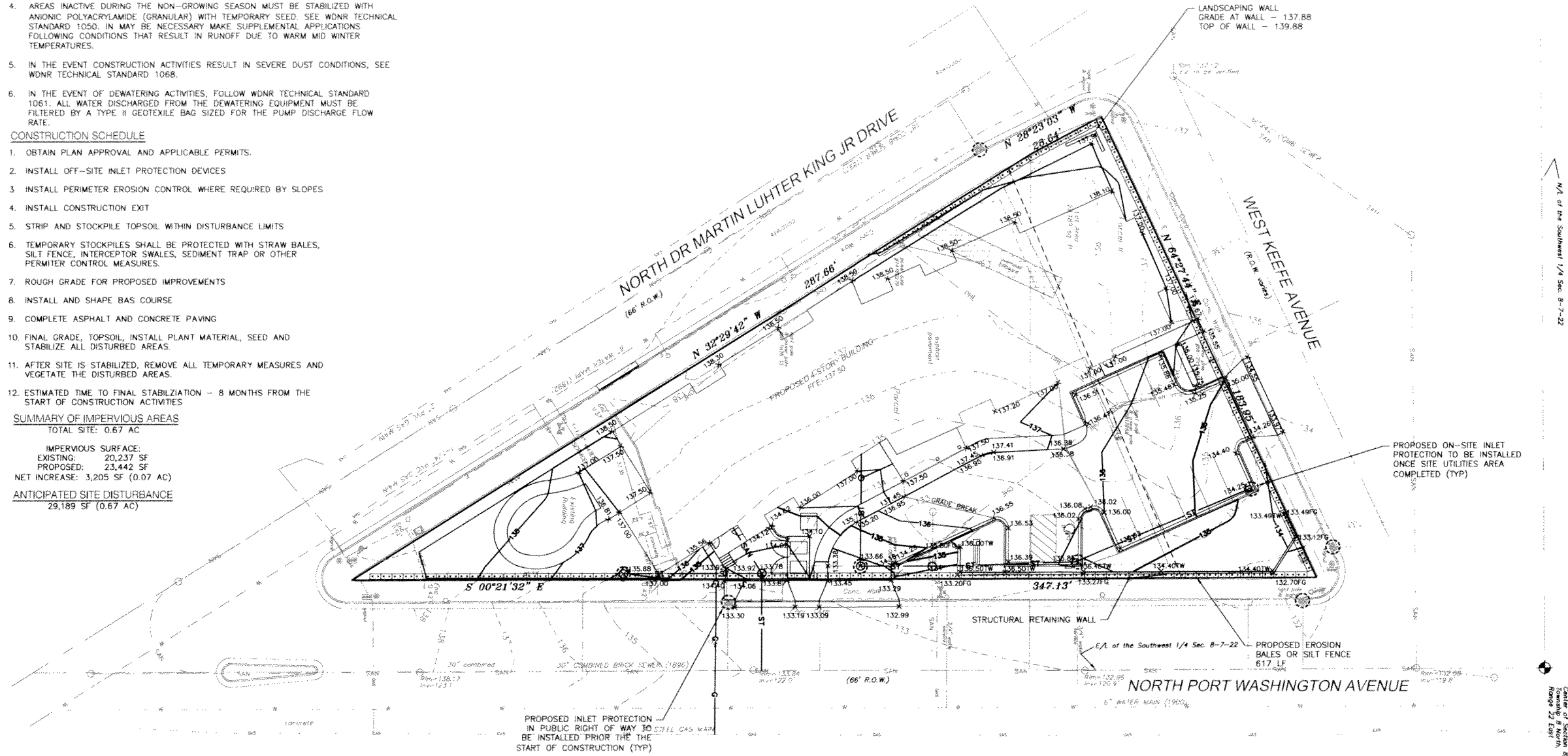
NET INCREASE: 3,205 SF (0.07 AC)

ANTICIPATED SITE DISTURBANCE

29,189 SF (0.67 AC)

NOTES:

- ALL PROPOSED ELEVATIONS ARE SHOWN AS FINISHED PAVEMENT GRADES. LOCATED AT GEOMETRY POINTS FOR THE CURB FACE WITH SPOT ELEVATIONS REPRESENTING THE FLANGE GRADE.
- SEE ARCHITECTURE SITE PLAN FOR SIDEWALK LOCATIONS AND BUILDING DIMENSIONS.
- EXISTING CONDITIONS DATA PROVIDED BY METROPOLITAN SURVEY SERVICE, INC.



PLAN COMMISSION SUBMITTAL
NOT FOR CONSTRUCTION



"THE INFORMATION SHOWN ON THIS DRAWING CONCERNING TYPE AND LOCATION OF UNDERGROUND UTILITIES IS NOT GUARANTEED TO BE ACCURATE OR ALL INCLUSIVE. THE CONTRACTOR IS RESPONSIBLE FOR MAKING HIS OWN DETERMINATIONS AS TO THE TYPE AND LOCATION OF UNDERGROUND UTILITIES AS MAY BE NECESSARY TO AVOID DAMAGE THERETO. IF ADDITIONAL UTILITIES ARE KNOWN TO EXIST IN THE PROPERTY, THE OWNER WILL PROVIDE EXISTING PLANS OF OTHER UTILITIES SERVING THE SITE AND THE BUILDING THAT OTHERWISE CANNOT BE LOCATED BY A VISUAL OBSERVATION OF THE PROPERTY OR OF WHICH THE SURVEYOR WOULD HAVE NO KNOWLEDGE."

NO.	REVISION DESCRIPTION	DATE	BY	CHK
1	SITE PLAN CHANGES	07/14/20		



3065 N. 124TH STREET
BROOKFIELD, WI 53005
(262) 784-9005
(262) 784-9083 (FAX)
www.onesourceconsult.com

PROJECT: SHILOH MANOR AT FIVE POINTS
3418 & 3458 MARTIN LUTHER KING JR. DRIVE
MILWAUKEE, WI
CLIENT: AG ARCHITECTURE
1414 UNDERWOOD AVE, SUITE 301
WALWATOSA, WI 53213



GRADING AND
EROSION CONTROL PLAN

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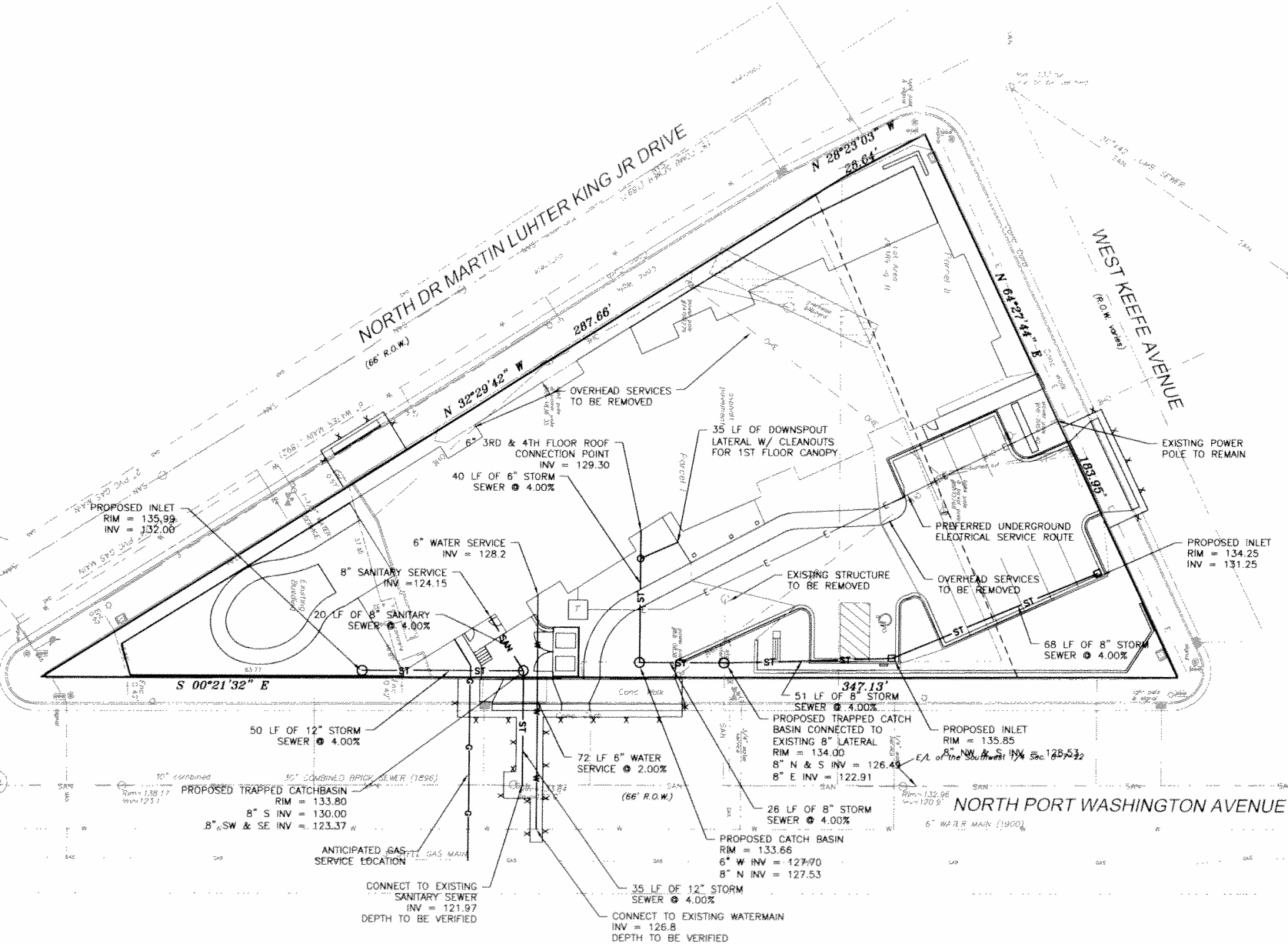
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08-31-09
Checked: CTD
08-31-09
OSC Project No: 124-07
Sheet No:

C-1

UTILITY NOTES

- ALL EXISTING UTILITIES ARE SHOWN FOR INFORMATIONAL PURPOSES ONLY AND ARE NOT GUARANTEED TO BE ACCURATE OR ALL INCLUSIVE. THE CONTRACTOR IS RESPONSIBLE FOR MAKING HIS OWN DETERMINATION AS TO THE TYPE AND LOCATIONS OF UNDERGROUND UTILITIES AS MAY BE NECESSARY TO AVOID DAMAGE THERETO. CONTRACTOR/OWNER SHALL CALL "DIGGER'S HOTLINE" PRIOR TO ANY CONSTRUCTION. PLEASE NOTE THAT PRIVATE UTILITIES ARE LOCATED WITHIN THE WORK LIMITS. LOCATION OF THE PRIVATE UTILITIES SHALL BE THE SOLE RESPONSIBILITY OF THE CONTRACTOR.
- ALL UTILITY WORK SHALL BE DONE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR SEWER AND WATER CONSTRUCTION IN WISCONSIN - AND ALL STATE AND LOCAL CODES AND SPECIFICATIONS. IT IS THE CONTRACTOR'S RESPONSIBILITY TO DETERMINE WHICH SPECIFICATIONS AND CODES APPLY, AND TO COORDINATE ALL CONSTRUCTION ACTIVITIES WITH THE APPROPRIATE LOCAL AND STATE AUTHORITIES.
- LENGTHS OF ALL UTILITIES ARE TO CENTER OF STRUCTURES OR FITTINGS AND MAY VARY SLIGHTLY FROM PLAN. LENGTHS SHALL BE VERIFIED IN THE FIELD DURING CONSTRUCTION.
- CONTRACTOR SHALL VERIFY ALL ELEVATIONS, LOCATIONS AND SIZES OF SANITARY, WATER AND STORM LATERALS AND CHECK ALL UTILITY CROSSINGS FOR CONFLICTS.
- CONTRACTOR SHALL ADJUST AND/OR RECONSTRUCT ALL UTILITY COVERS (SUCH AS MANHOLE COVERS, VALVE BOX COVERS, ETC.) TO MATCH THE FINISHED GRADES OF THE AREAS EFFECTED BY THE CONSTRUCTION.
- STORM SEWER SPECIFICATIONS -
PIPE - HIGH DENSITY DUAL-WALL POLYETHYLENE CORRUGATED PIPE SHALL BE AS MANUFACTURED BY ADS OR EQUAL WITH WATER TIGHT JOINTS, AND SHALL MEET THE REQUIREMENTS OF AASHTO DESIGNATION M-294 TYPE "S".
BACKFILL AND BEDDING - STORM SEWER SHALL BE CONSTRUCTED WITH GRAVEL BACKFILL AND CLASS "B" BEDDING IN ALL PAVED AREAS AND TO A POINT 5 FEET BEYOND THE EDGE OF PAVEMENT. TRENCHES RUNNING PARALLEL TO AND LESS THAN 5 FEET FROM THE EDGE OF PAVEMENT SHALL ALSO REQUIRE GRAVEL BACKFILL. LANDSCAPED AREAS MAY BE BACKFILLED WITH EXCAVATED MATERIAL IN CONFORMANCE WITH SECTION 8.4.3.5 OF THE "STANDARD SPECIFICATIONS".
- WATER MAIN SPECIFICATIONS -
PIPE - WATER MAIN SHALL BE POLYVINYL CHLORIDE (PVC) PIPE MEETING THE REQUIREMENTS OF AWWA STANDARD C-900, CLASS 150, DR-18, WITH CAST IRON O.D. AND INTEGRAL ELASTOMERIC BELL AND SPIGOT JOINTS.
VALVES AND VALVE BOXES - GATE VALVES SHALL BE AWWA GATE VALVES MEETING THE REQUIREMENTS OF AWWA C-500 AND CHAPTER 8.27.0 OF THE "STANDARD SPECIFICATIONS". GATE VALVES AND VALVE BOXES SHALL CONFORM TO LOCAL PLUMBING ORDINANCES.
HYDRANTS - HYDRANTS SHALL MATCH THE EXISTING PRIVATE HYDRANTS CURRENTLY BEING USED BY THE OWNER. THE DISTANCE FROM THE GROUND LINE TO THE CENTERLINE OF THE LOWEST NOZZLE AND THE LOWEST CONNECTION OF THE FIRE DEPARTMENT SHALL BE NO LESS THAN 18-INCHES AND NO GREATER THAN 23-INCHES.
BEDDING AND COVER MATERIAL - PIPE BEDDING AND COVER MATERIAL SHALL BE SAND, CRUSHED STONE CHIPS OR CRUSHED STONE SCREENINGS CONFORMING TO CHAPTER 8.4.3.2 OF THE "STANDARD SPECIFICATIONS".
BACKFILL - BACKFILL MATERIAL AND INSTALLATION SHALL BE IN ACCORDANCE WITH CHAPTER 2.6.0 OF THE "STANDARD SPECIFICATIONS". GRAVEL BACKFILL IS REQUIRED IN ALL PAVED AREAS AND TO A POINT 5 FEET BEYOND THE EDGE OF PAVEMENT. TRENCHES RUNNING PARALLEL TO AND LESS THAN 5 FEET FROM THE EDGE OF PAVEMENT SHALL ALSO REQUIRE GRAVEL BACKFILL. LANDSCAPED AREAS MAY BE BACKFILLED WITH EXCAVATED MATERIAL IN CONFORMANCE WITH SECTION 8.4.3.5 OF THE "STANDARD SPECIFICATIONS".
INSULATION - WATERMAIN SHALL BE INSULATED WHEREVER THE DEPTH OF COVER IS LESS THAN 6 FEET. INSULATION AND INSTALLATION OF INSULATION SHALL BE CONFORMING WITH CHAPTER 4.17.0 "INSULATION" OF THE STANDARD SPECIFICATIONS FOR SEWER AND WATER CONSTRUCTION IN WISCONSIN 6TH EDITION UPDATED WITH ITS LATEST ADDENDUM (TYP.).

PLAN COMMISSION SUBMITTAL NOT FOR CONSTRUCTION



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NO.	REVISION DESCRIPTION	DATE
1	SITE PLAN CHANGES	09/14/09



3065 N. 124TH STREET
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(262) 784-9083 (FAX)
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SHLOH MANOR AT FIVE POINTS
3418 & 3458 MARTIN LUTHER KING JR. DRIVE
MILWAUKEE, WI
CLIENT
AG ARCHITECTURE
1414 UNDERWOOD AVE, SUITE 301
WAUWATOSA, WI 53213



UTILITY PLAN

DRAWING SCALE: 1"=20'	
Drawn:	CTD 08-31-09
Checked:	CTD 08-31-09
OSC Project No:	124-07
Sheet No.	C-2

PAVING NOTES

1. SUBGRADE UNDER PAVEMENT AREAS SHALL BE VERIFIED BY GEOTECHNICAL ENGINEER OF RECORD.

** PAVEMENT DESIGN INFORMATION PROVIDED BY GEOTECHNICAL ENGINEER OF RECORD AS SPECIFIED IN THE GEOTECHNICAL REPORT, DATED MAY 20, 2008, PROVIDED BY PROFESSIONAL SERVICE INDUSTRIES, INC. **

SPECIFIC PAVEMENT DESIGN

ASPHALTIC PAVEMENT (LIGHT DUTY - PARKING STALLS)
8" CRUSHED AGGREGATE BASE COURSE
3.5" ASPHALTIC CONC. (2 LIFTS: 1.75" LOWER, 1.75" UPPER)

ASPHALTIC PAVEMENT (HEAVY DUTY - DRIVE AISLE)
10" CRUSHED AGGREGATE BASE COURSE
4.5" ASPHALTIC CONC. (2 LIFTS: 2.25" LOWER, 1.75" UPPER)

LOADING AREA
6" CRUSHED AGGREGATE BASE COURSE
8" REINFORCED CONCRETE PAVEMENT

CONCRETE SIDEWALK (SEE ARCHITECTURAL PLANS FOR LOCATION)
4" CONCRETE ON 6" CRUSHED AGGREGATE BASE COURSE

2. ASPHALTIC CONCRETE PAVING SPECIFICATIONS-

CODES AND STANDARDS - THE PLACING, CONSTRUCTION AND COMPOSITION OF THE ASPHALTIC BASE COURSE AND ASPHALTIC CONCRETE SURFACING SHALL BE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STATE OF WISCONSIN STANDARD SPECIFICATIONS FOR HIGHWAY AND STRUCTURE CONSTRUCTION, CURRENT EDITION. HEREINAFTER, THIS PUBLICATION WILL BE REFERRED TO AS STATE HIGHWAY SPECIFICATIONS.

WEATHER LIMITATIONS - APPLY TACK COATS WHEN AMBIENT TEMPERATURE IS ABOVE 50° F (10° C) AND WHEN TEMPERATURE HAS NOT BEEN BELOW 35° F (1° C) FOR 12 HOURS IMMEDIATELY PRIOR TO APPLICATION. DO NOT APPLY WHEN BASE IS WET OR CONTAINS EXCESS OF MOISTURE. CONSTRUCT ASPHALTIC CONCRETE SURFACE COURSE WHEN ATMOSPHERIC TEMPERATURE IS ABOVE 40° F (4° C) AND BASE IS DRY AND WEATHER IS NOT RAINY. BASE COURSE MAY BE PLACED WHEN AIR TEMPERATURE IS ABOVE 30° F (-1° C).

GRADE CONTROL - ESTABLISH AND MAINTAIN REQUIRED LINES AND ELEVATIONS FOR EACH COURSE DURING CONSTRUCTION.

CRUSHED AGGREGATE BASE COURSE - THE TOP LAYER OF BASE COURSE SHALL CONFORM TO SECTIONS 301 AND 305, STATE HIGHWAY SPECIFICATIONS.

BINDER COURSE AGGREGATE - THE AGGREGATE FOR THE BINDER COURSE SHALL CONFORM TO TYPE E-3 MIX, SECTIONS 460.2.7 AND 315, STATE HIGHWAY SPECIFICATIONS.

SURFACE COURSE AGGREGATE - THE AGGREGATE FOR THE SURFACE COURSE SHALL CONFORM TO TYPE E-3 MIX, SECTIONS 460.2.7 AND 465, STATE HIGHWAY SPECIFICATIONS.

ASPHALTIC MATERIALS - THE ASPHALTIC MATERIALS SHALL CONFORM TO SECTION 455 AND 460, STATE HIGHWAY SPECIFICATIONS.

SURFACE PREPARATION - NOTIFY CONTRACTOR OF UNSATISFACTORY CONDITIONS. DO NOT BEGIN PAVING WORK UNTIL DEFICIENT SUBBASE AREAS HAVE BEEN CORRECTED AND ARE READY TO RECEIVE PAVING.

3. ALL PAVING SHALL CONFORM TO "STATE OF WISCONSIN STANDARD SPECIFICATIONS FOR HIGHWAY & STRUCTURE CONSTRUCTION, APPLICABLE CITY OF MILWAUKEE ORDINANCES AND THE SUBSURFACE EXPLORATION AND GEOTECHNICAL ENGINEERING ANALYSIS PREPARED BY THE GEOTECHNICAL ENGINEER OF RECORD.

LEGEND:

- HEAVY DUTY ASPHALT
10" CRUSHED AGGREGATE BASE COURSE
4.5" ASPHALTIC CONC. (2 LIFTS: 2.25" LOWER, 1.75" UPPER)
- LIGHT DUTY ASPHALT
8" CRUSHED AGGREGATE BASE COURSE
3.5" ASPHALTIC CONC. (2 LIFTS: 2.25" LOWER, 1.75" UPPER)
- CONCRETE
6" CRUSHED AGGREGATE BASE COURSE
8" REINFORCED CONCRETE PAVEMENT
- CONCRETE SIDEWALK
6" CRUSHED AGGREGATE BASE COURSE
4" CONCRETE PAVEMENT

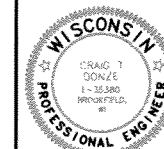
PLAN COMMISSION SUBMITTAL NOT FOR CONSTRUCTION

NO.	REVISION DESCRIPTION	DATE
1	SITE PLAN CHANGES	09/11/08



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(262) 784-9005
(262) 784-9083 (FAX)
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PROJECT: SHILOH MANOR AT FIVE POINTS
3418 & 3458 MARTIN LUTHER KING DRIVE
MILWAUKEE, WI
CLIENT: AG ARCHITECTURE
1414 UNDERWOOD AVE, SUITE 301
WALWATOSA, WI 53213



PAVING PLAN

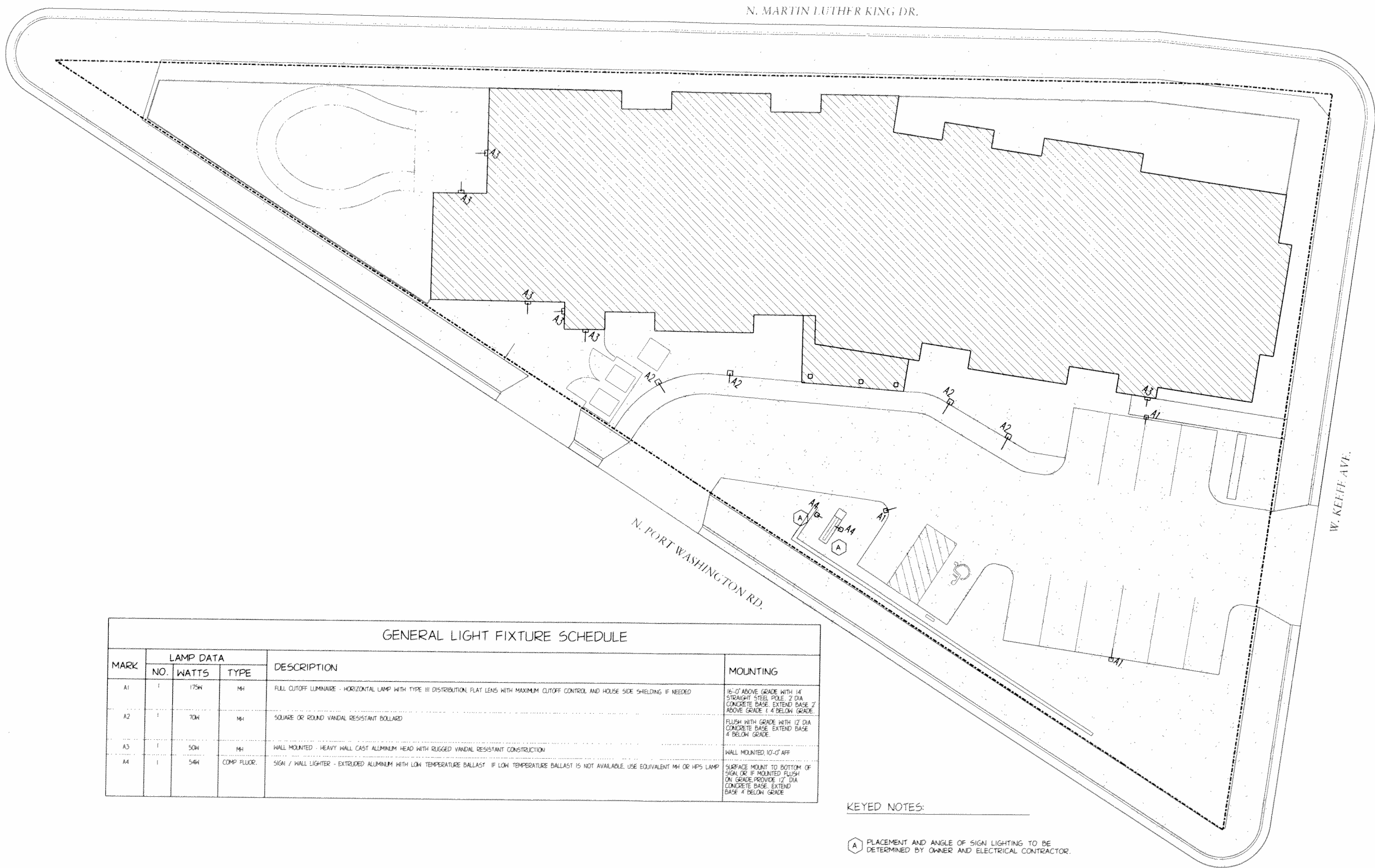
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Drawn: CTD
08-31-09
Checked: CTD
08-31-09
OSC Project No: 124-07
Sheet No:

C-3

Sep 14, 2008 - 10:59am
S:\CAD Projects\124-07 Shilo Manor\124-07 Civil.dwg

NOT TO SCALE - THIS PLAN IS A PRELIMINARY DESIGN AND IS SUBJECT TO CHANGE WITHOUT NOTICE. THE CLIENT IS RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS. THE DESIGNER ASSUMES NO LIABILITY FOR ANY DAMAGE OR INJURY RESULTING FROM THE USE OF THIS PLAN.



GENERAL LIGHT FIXTURE SCHEDULE					
MARK	LAMP DATA			DESCRIPTION	MOUNTING
	NO.	WATTS	TYPE		
A1	1	175W	MH	FULL CUTOFF LUMINAIRE - HORIZONTAL LAMP WITH TYPE III DISTRIBUTION, FLAT LENS WITH MAXIMUM CUTOFF CONTROL AND HOUSE SIDE SHIELDING IF NEEDED	16'-0" ABOVE GRADE WITH 1 1/2" DIA. STRAIGHT STEEL POLE, 2" DIA. CONCRETE BASE, EXTEND BASE 7" ABOVE GRADE, 1' 4" BELOW GRADE
A2	1	70W	MH	SQUARE OR ROUND VANDAL RESISTANT BOLLARD	FLUSH WITH GRADE WITH 12" DIA. CONCRETE BASE, EXTEND BASE 4" BELOW GRADE
A3	1	50W	MH	WALL MOUNTED - HEAVY WALL CAST ALUMINUM HEAD WITH RUGGED VANDAL RESISTANT CONSTRUCTION	WALL MOUNTED 10'-0" AFF
A4	1	54W	COMP. FLUOR.	SIGN / WALL LIGHTER - EXTRUDED ALUMINUM WITH LOW TEMPERATURE BALLAST. IF LOW TEMPERATURE BALLAST IS NOT AVAILABLE, USE EQUIVALENT MH OR HPS LAMP	SURFACE MOUNT TO BOTTOM OF SIGN OR IF MOUNTED FLUSH ON GRADE PROVIDE 12" DIA. CONCRETE BASE, EXTEND BASE 4" BELOW GRADE

KEYED NOTES:

A PLACEMENT AND ANGLE OF SIGN LIGHTING TO BE DETERMINED BY OWNER AND ELECTRICAL CONTRACTOR.

1" = 10' PHOTOMETRIC POINT BY POINT SITE PLAN EG220



DRAWN BY
JMM
DATE
11/16/2009
PROJECT
080101
SHEET NO.

1414 UNDERWOOD AVE.
WATKINS, WI 53091
920.431.5121 FAX
920.431.5121 FAX
WWW.AGARCH.COM

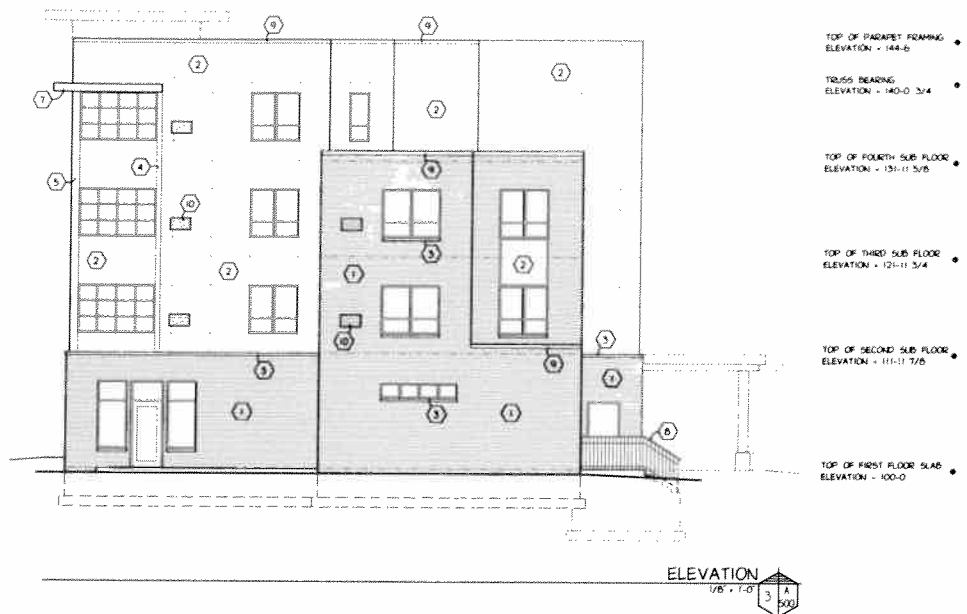
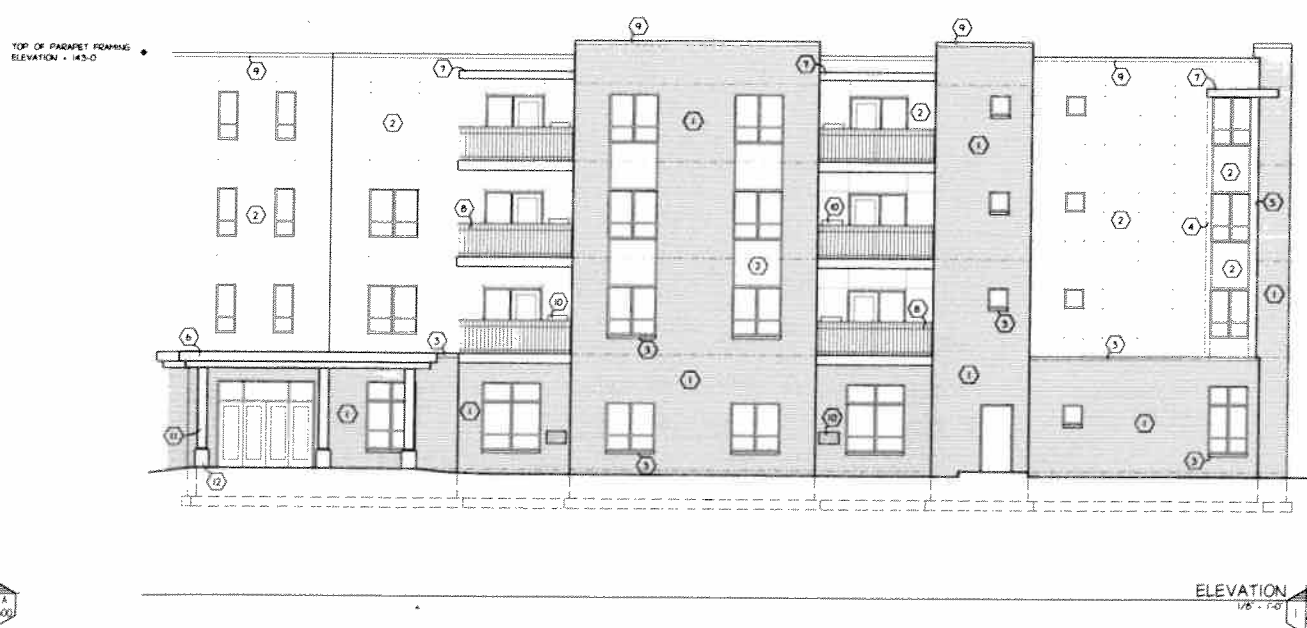
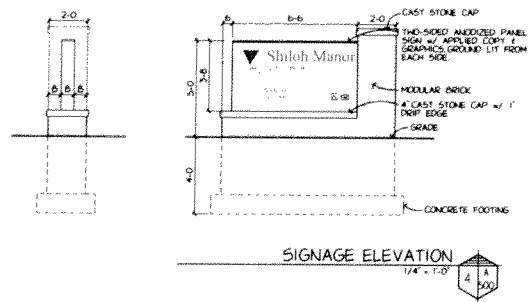
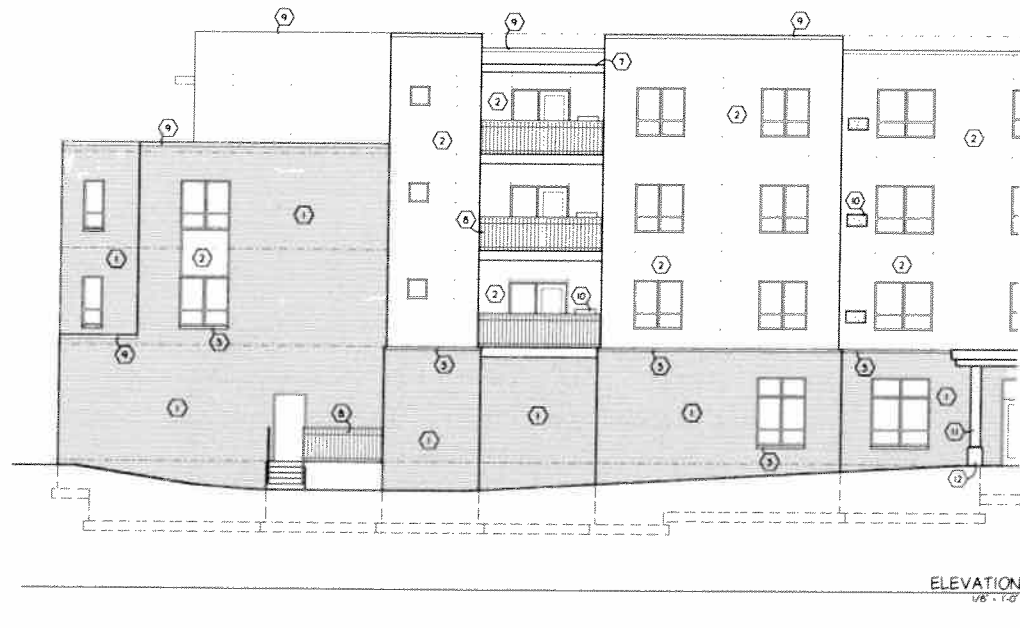


Shiloh Manor
at Five Points

Milwaukee

Wisconsin

PROJECT: SHILOH MANOR AT FIVE POINTS
10000 WISCONSIN AVENUE, MILWAUKEE, WI 53224
DRAWN BY: J. J. JENSEN
DATE: 11/11/2009
PROJECT: 080101
SHEET NO.

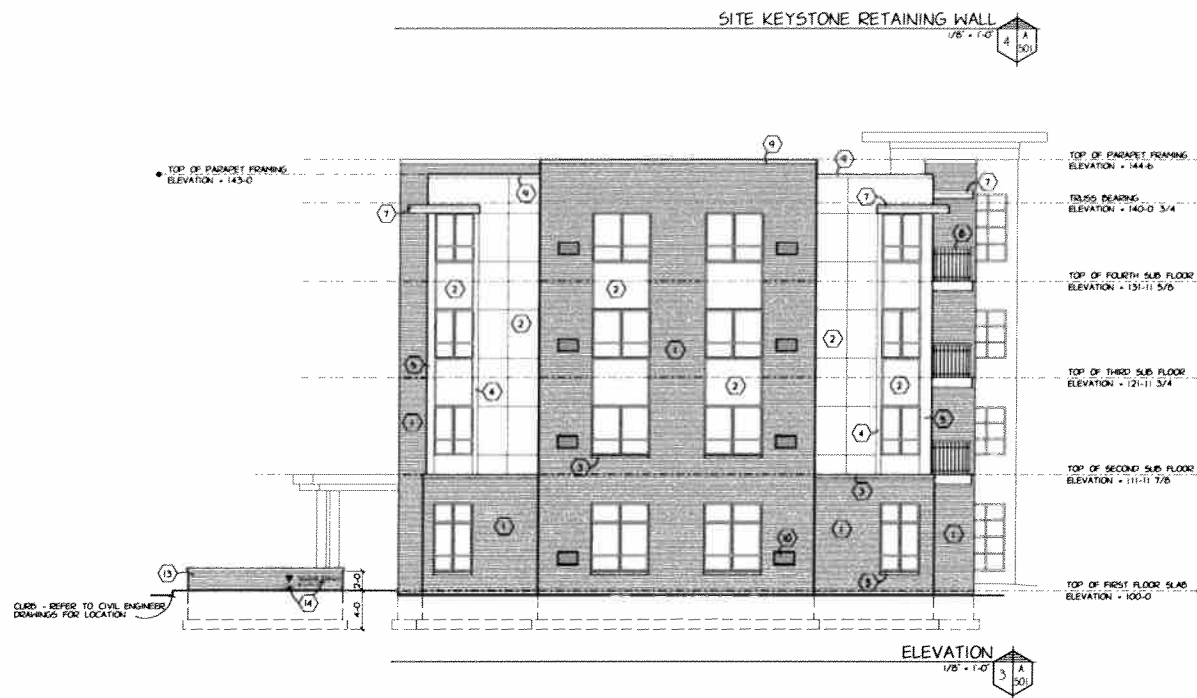
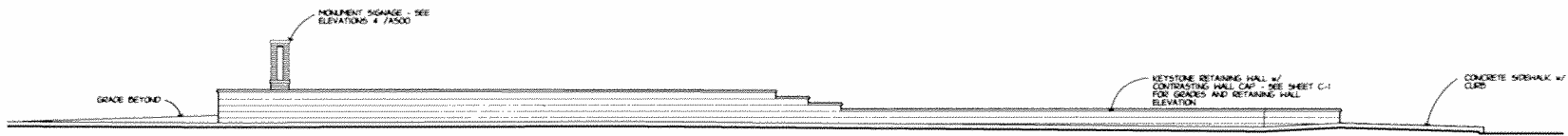


MATERIAL KEY:

1	BRICK VENEER
2	CEMENT FIBER PANEL
3	4" CAST STONE SILL
4	1/4" x 6" CEMENT FIBER FORM BOARD
5	1/4" x 12" CEMENT FIBER FORM BOARD
6	2x12 FASCIA w/ BRUSHED ALUM. WRAP
7	2x10 FASCIA w/ BRUSHED ALUM. WRAP
8	ALUMINUM GUARDRAIL
9	BRUSHED ALUMINUM CORING
10	A/C UNIT THROUGH-HALL
11	BRUSHED ALUMINUM COLUMN COVER
12	CONCRETE COLUMN BASE

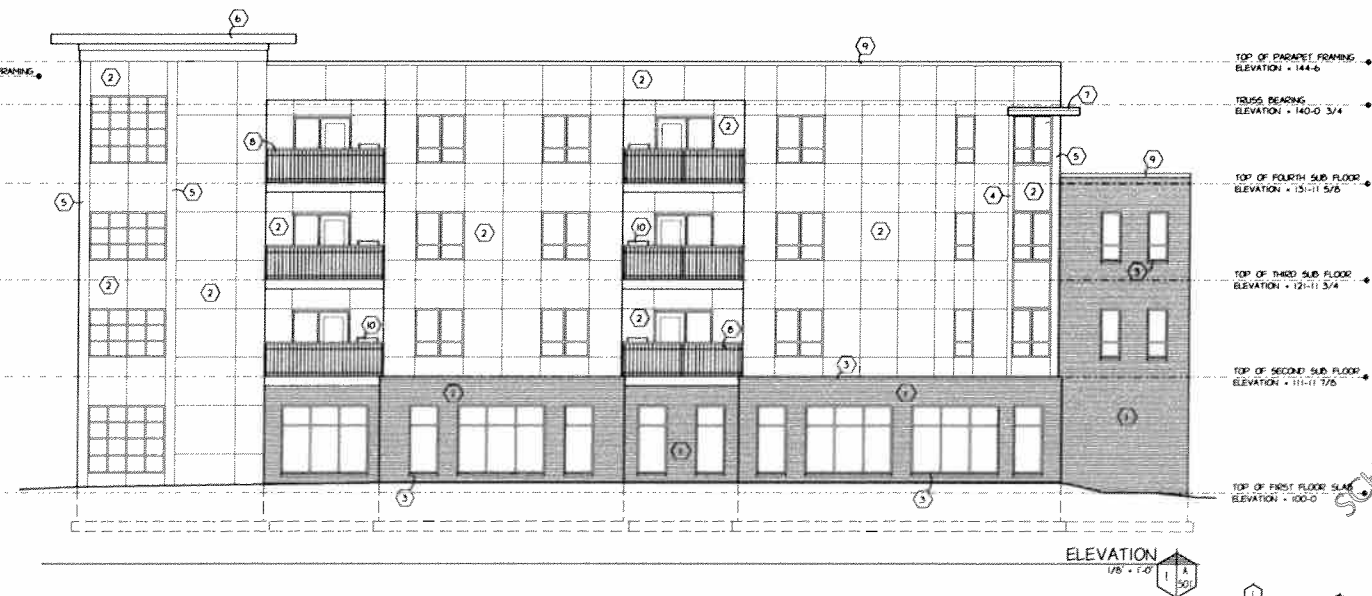
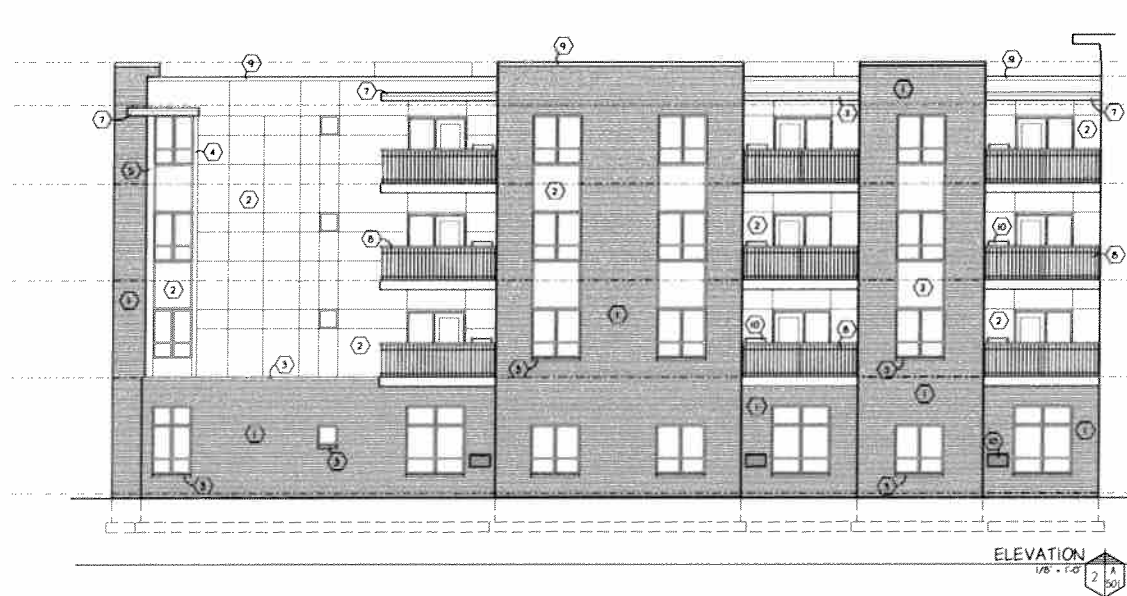
1/8" EXTERIOR ELEVATIONS A500

1/8" EXTERIOR ELEVATIONS
A501
DRAWN BY
DATE
31 AUG 2009
PROJECT
080101
SHEET NO.



MATERIAL KEY:





1	BRICK VENEER
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3	4" CAST STONE SILL
4	1/2" x 6" CEMENT FIBER TORN BOARD
5	1/2" x 12" CEMENT FIBER TORN BOARD
6	2x12 FASCIA w/ BRUSHED ALUM. HEAD
7	2x10 FASCIA w/ BRUSHED ALUM. HEAD
8	ALUMINUM GUARDRAIL
9	BRUSHED ALUMINUM CORING
10	A/C UNIT (THROUGH-HALL)
11	BRUSHED ALUMINUM COLUMN COVER
12	CONCRETE COLUMN BASE
13	BRICK WALL w/ CAST STONE CAP - BRICK TO MATCH BUILDING
14	APPLIED SIGNAGE BY SIGN CONTRACTOR








1/8" EXTERIOR ELEVATIONS A501

 Proposed Zoning Change





Residential Districts

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





Commercial Districts

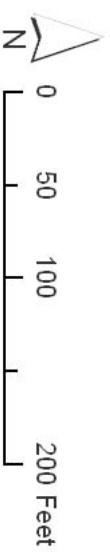
-  Neighborhood Shopping (NS1-2)
-  Local Business (LB1-2)
-  Commercial Service (CS)
-  Regional Business (RB1-2)
-  Central Business (C9A-C9H)

Industrial Districts

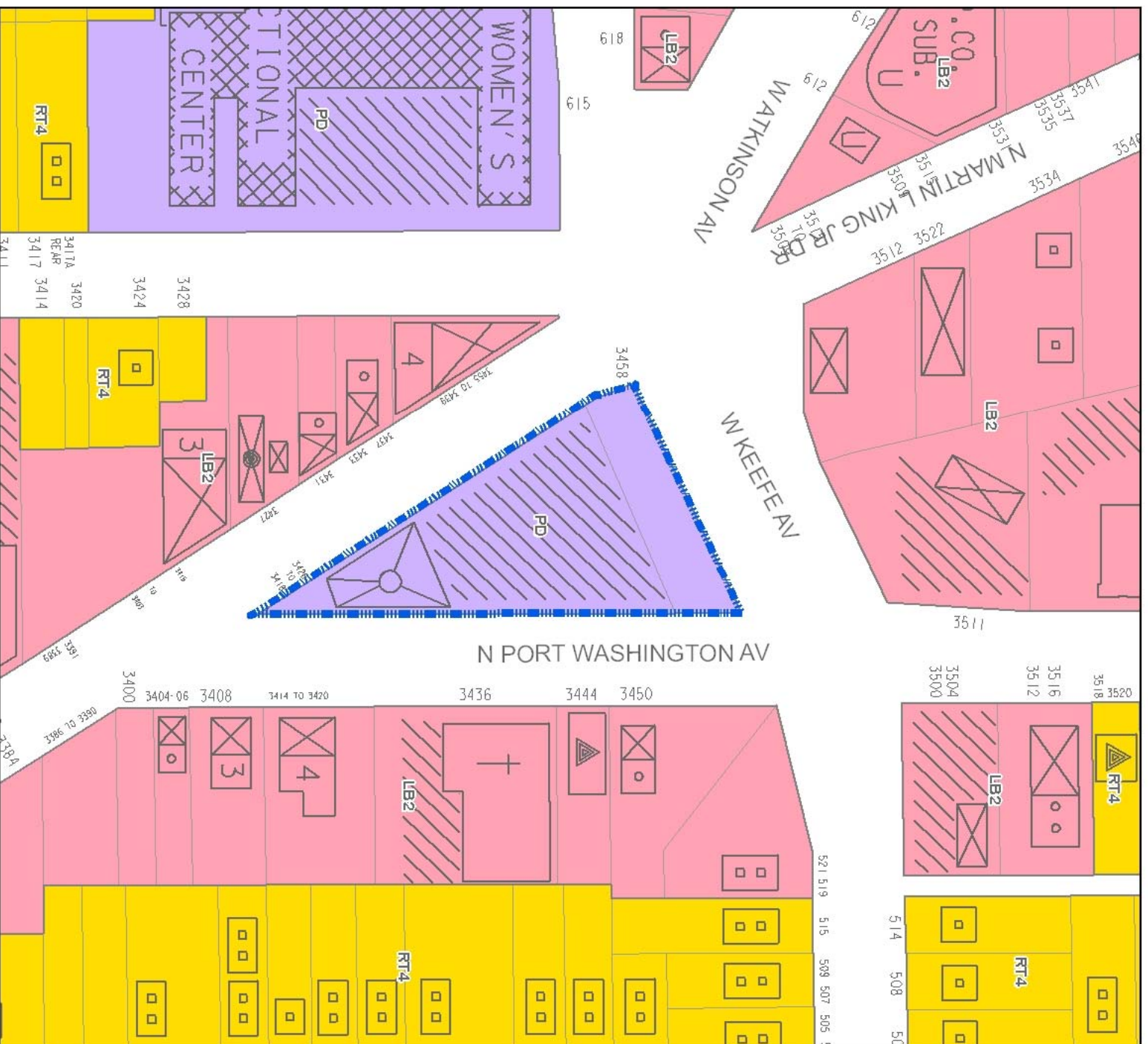
-  Industrial - Office (IO)
-  Industrial - Light (IL1-2)
-  Industrial - Mixed (IM)
-  Industrial - Heavy (IH)

Special Districts

-  Parks (PK)
-  Institutional (TL)
-  Planned Development (PD, DPD)
-  Redevelopment (RED)



Data source: Department of City Development 2009



September 21, 2009

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

Dear Committee Members:

File No. 090216 relates to a change in zoning from General Planned Development (GPD) to Detailed Planned Development (DPD) known as Shiloh Manor, for a 45 unit housing development for seniors, on lands located East of North Dr. Martin Luther King Jr. Drive and South of West Keefe Avenue, in the 6th Aldermanic District.

This zoning change will allow for the construction of a four-story building with 45 units of housing for seniors. A total of 42-one bedroom units and 3-two bedroom units will be constructed. Many common areas will be supplied for the tenants, with the majority of the space being on the first floor. At least half of the building will be certified as a Residential Care Apartment Complex (RCAC). The RCAC portion will provide a combination of housing, meals and support services for people with long-term care needs.

On September 21, 2009, a public hearing was held and at that time nobody spoke in opposition. Since the proposed change complies with the Zoning Code and City plans for the area, the City Plan Commission at its regular meeting on September 21, 2009 recommended approval of the subject file, conditioned on finalizing the landscape plan and building and screening materials.

Sincerely,

Rocky Marcoux
Executive Secretary
City Plan Commission of Milwaukee

cc: Ald. Milele Coggs

Address of parcel(s): 3418 N. Martin Luther King Jr. Dr.

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 2nd day of June, 2009.

Charles Jordan
Petitioner (signature)
Charles Jordan
(print name, relationship to project)

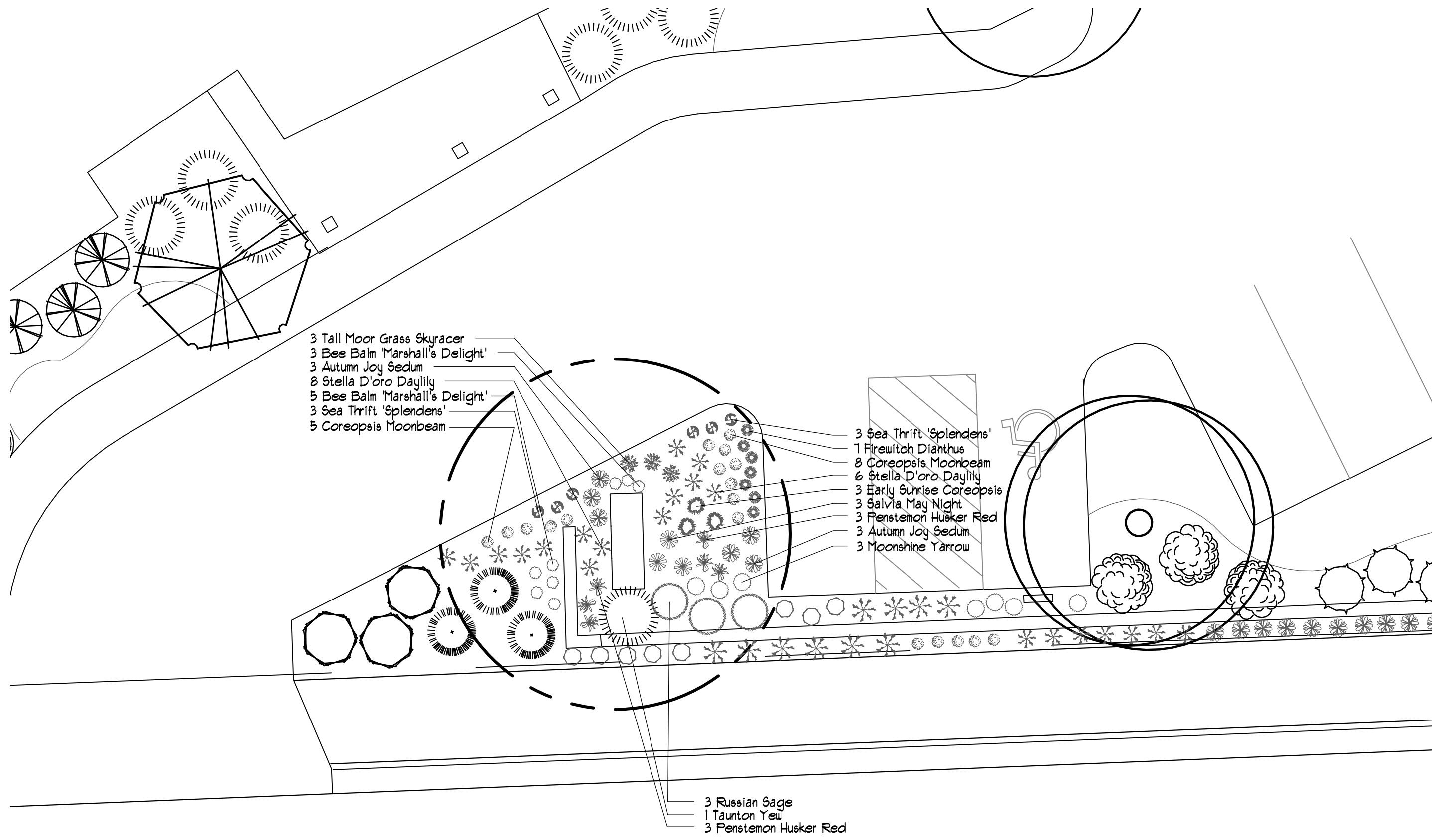
Subscribed and sworn to before me

This 2nd day of June, 2009

Charles D. Hoppo
Notary Public, State of Wisconsin

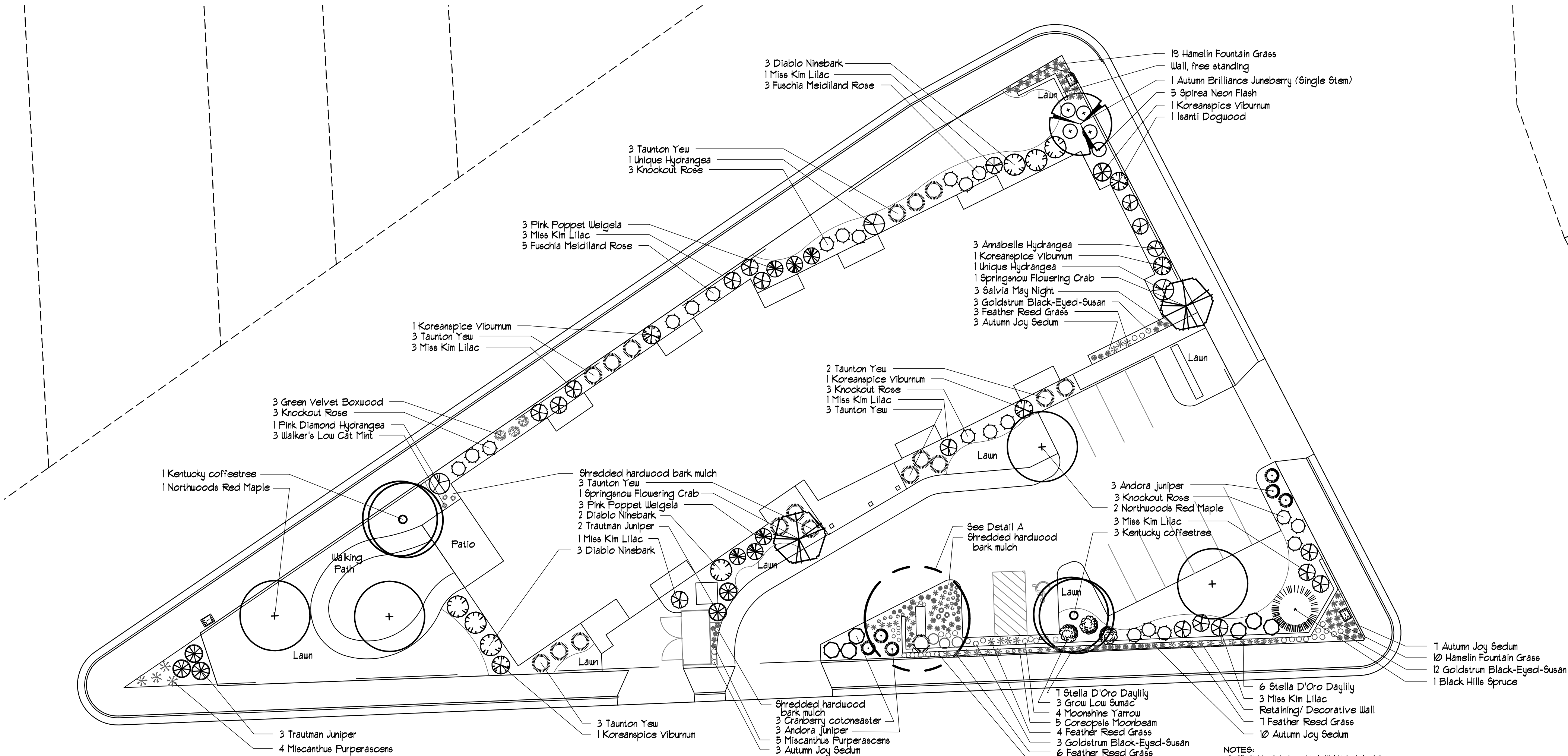
My commission expires: 9 August 2009

Office Use Only: File no. 090216



DETAIL A

SCALE 1/8"=1'-0"



NOTES:
1. All plant beds to be edged with brick 4" x 8" edging.
2. Plant beds to be mulched with 2" washed stone and weed barrier except where noted.
3. Perennial beds to be mulched 3" deep with shredded hardwood bark mulch unless noted otherwise.
4. Trees planted in lawn areas to receive a 6" diameter of 3" minimum depth shredded hardwood mulch ring.
5. Contractor is responsible for verifying all plant quantities. Plan shall provide over the plant list.

4	2' BB	Acer rubrum 'Northwoods'	Northwoods Red Maple
1	1'	Amelanchier x grandiflora 'Autumn Brilliance'	Autumn Brilliance Juneberry Single stem
5	2'	Buxus sempervirens 'Green Velvet'	Green Velvet Boxwood
6	2'	Cotoneaster apiculatus	Cranberry cotoneaster
1	3'	Cornus sericea 'Isanti'	Isanti Dogwood
3	2'	Fothergilla gardenii	Fothergilla 'Mt. Airy'
1	2' BB	Gleditsia triacanthos 'Skycole'	Skyline Honeylocust
2	2' BB	Gymnocladus dioica	Kentucky coffeetree
1	4' Grade	Hydrangea arborescens 'Annabelle'	Annabelle Hydrangea
1	24'	Hydrangea paniculata 'Pink Diamond'	Pink Diamond Hydrangea
2	24'	Hydrangea paniculata 'Unique'	Unique Hydrangea
3	2'	Hypericum frondosum 'Sunburst'	Hypericum 'Sunburst'
5	4'	Juniperus chinensis 'Trautman'	Trautman Juniper
6	18'	Juniperus horizontalis 'Youngstown'	Andora Juniper
2	1'	Malus 'Springnow'	Springnow Flowering Crab
8	3'	Physocarpus opulifolius 'Diablo'	Diablo Ninebark
3	18'	Rhus aromatica 'Grow Low'	Grow Low Sumac
6	2 Gal	Rosa 'Fuchsia Medalland'	Fuchsia Medalland Rose
12	2 Gal	Rosa 'Knockout'	Knockout Rose
5	18'	Spiraea bumalda 'Neon Flash'	Spiraea Neon Flash
15	2-3'	Syringa patula 'Miss Kim'	Miss Kim Lilac
3	2' BB	Syringa reticulata 'Ivory Silk'	Ivory Silk Japanese Tree Lilac
18	18-24'	Taxus media 'Taunton'	Taunton Yew
5	4'	Viburnum carlesii	Koreanspice Viburnum
6	18'	Weigela 'Pink Poppet'	Pink Poppet Weigela

Perennial Plant List

Quantity	Planting Size	Scientific Name	Common Name
1	4.5'	Achillea 'Moonshine'	Moonshine Yarrow
6	4.5'	Aster maritima 'Splendens'	Sea Thrift
20	4'	Calamagrostis x Karl Foerster	Feather Reed Grass
3	4.5'	Coreopsis 'Early Sunrise'	Early Sunrise Coreopsis
18	4.5'	Coreopsis verticillata 'Moonbeam'	Coreopsis Moonbeam
1	4.5'	Dianthus gratianopolitanus 'Firewitch'	Firewitch Dianthus
3	4'	Festuca ovina glauca	Blue Fescue
27	4'	Hemerocallis 'Stella D'Oro'	Stella D'Oro Daylily
14	1-Gal	Miscanthus sinensis purpureascens	Miscanthus Purpureascens
3	4'	Molinia arundinacea 'Skyracer'	Tall Moor Grass Skyracer
8	4.5'	Monarda didyma 'Greenview Scarlet'	Scarlet Bee Balm
3	4.5'	Nepeta 'Walker's Low'	Walker's Low Cat Mint
29	4'	Pennisetum alopecuroides 'Hamelin'	Hamelin Fountain Grass
6	4.5'	Penstemon digitalis 'Huker Red'	Penstemon Huker Red
3	4'	Perovskia atriplicifolia	Russian Sage
23	4.5'	Rudbeckia hirta 'Goldstrum'	Goldstrum Black-Eyed-Susan
6	4.5'	Salvia superba 'May Night'	Salvia May Night
32	4'	Sedum spectabile 'Autumn Joy'	Autumn Joy Sedum

LANDSCAPE PLAN

SHILOH MANOR AT FIVE POINTS

3418-3458 MARTIN LUTHER KING JR DRIVE
MILWAUKEE, WISCONSIN

SCALE

DATE
DESIGN
REVISION

NORTH
1"=20'
1.22.09
kam
8.27.09
9.29.09

PROOF OF PUBLICATION

STATE OF WISCONSIN
MILWAUKEE COUNTY

} ss

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

09/21/2009 09/28/2009

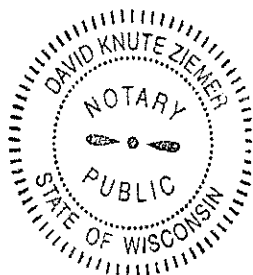
Ann E. Richmond

Subscribed and sworn to before me

September 28, 2009

[Signature]

Notary Public, Milwaukee County, Wisconsin
My Commission Is Permanent



**C. NO. 24
FILE NUMBER 090216**

**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 June 16, 2009 meeting of the Milwaukee Common Council, the essence of which is as follows:

Substitute ordinance relating to a change in zoning from General Planned Development to a Detailed Planned Development known as Shiloh Manor, for a 45-unit housing development for seniors, on land located East of North Dr. Martin Luther King Jr. Drive and South of West Keefe Avenue, in the 6th Aldermanic District.

The Mayor and Common Council of the City of Milwaukee ("Common Council"), do ordain as follows:

Part 1. There is added to the Milwaukee Code of Ordinances ("Code") a new section to read as follows:

Section 295-907(2)(c).0147.

(1) In accordance with the provisions of Section 295-907 of the Code relating to the establishment of planned development districts, the Common Council approves the subject Detailed Planned Development, 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.

(2) The zoning map is amended to change the zoning for the area described and bounded as follows:

The zoning line along the right-of-way of North Dr. Martin Luther King Jr. Drive, the zoning line along the right-of-way of North Port Washington Avenue and the zoning line along the right-of-way of West Keefe Avenue from General Planned Development (GPD) to Detailed Planned Development (DPD).

(3) The requirements set forth in said detailed plan attached to this Common Council File as Exhibit A, constitute the zoning regulations for the area contained in such planned development district described, provided further, that the effect of the approval of such detailed plan is that such plan shall limit and control construction, location, use and operation of all land and structures included within the detailed plan to all conditions and limitations set forth in such detailed plan.

Part 2. Any persons, firm, company or corporation owning, controlling, or managing any building or premises wherein or whereon there shall be placed or there exists anything in violation of the terms of this ordinance; or who shall build contrary to the plans or specifications submitted to and ap-

proved by the Commissioner of the Department of City Development, or any person, firm, company or corporation who shall omit, neglect or refuse to do any act required in this ordinance shall be subject to the penalties provided in Section 200-19 of the Code.

Part 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions. The Common Council declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase or portion irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases or other portions be declared void or invalid.

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, October 6, 2009 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) at 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.

RONALD D. LEONHARDT,
City Clerk

10745679/9-21-28

NOTICES SENT TO FOR FILE : 090216

[illegible]



ALICE L JACKSON
3429 N 5TH ST
MILWAUKEE, WI 53212

DENNIS EDWARDS
PO BOX 72022
MILWAUKEE, WI 532127222

LILLIE MARTIN, M B MARTIN,
D MARTIN, R MARTIN
503 W KEEFE AV
MILWAUKEE, WI 53212

A H & E P WISTH TRS OF ARTHUR &
ELEANOR WISTH 1999 REV TR
8971 N SENECA RD
MILWAUKEE WI 53217

EEI REAL ESTATE HOLDINGS LLC
N16 W24132 PRAIRIE CT
WAUKESHA, WI 53188

LINDA GOINS
3463 N 5TH ST
MILWAUKEE, WI 53212

BARBARA N DUNCAN-MCKEOWN
3437 N 5TH ST
MILWAUKEE, WI 53212

FLORIDA M GARDNER
3760 N 3RD ST
MILWAUKEE WI 53212

LUCILLE MEANS
PO BOX 080246
MILWAUKEE WI 53208

CETTERY M GARDNER
3760 N 3RD ST
MILWAUKEE, WI 53212

FRANKLIN D MC COLLUM &
FAYE MC COLLUM HW
3441 N 5TH ST
MILWAUKEE WI 53212

MAE B HARRIS
3424 N 6TH ST
MILWAUKEE, WI 53212

CHARLENE E GRAY
CATHLEEN GRAY
3415 N 5TH ST
MILWAUKEE, WI 53212

FRED MARLOW
6836 N 46TH ST
MILWAUKEE, WI 532235318

MARION L GRAVES-GOOLSBY
3514 N PORT WASHINGTON AVE
MILWAUKEE WI 53212

CITIBANK NA AS TRUSTEE OF
STRUCTURED ASSET MORT INVEST
800 STATE HWY 121
LEWISVILLE TX 75067

H HACK
9830 N COURTLAND DR
MEQUON, WI 530926052

MICHAEL S WISNIEWSKI
1621 E IRVING PL
MILWAUKEE WI 532021400

REAL ESTATE

J E D INVESTMENT CORP, INC
3506 W NATIONAL AVE
MILWAUKEE WI 53215

MILWAUKEE COUNTY
REGISTER OF DEEDS
901 N 9TH ST
MILWAUKEE, WI 53233

CROMWELL LIVING TR
PO BOX 12547
MILWAUKEE, WI 532120547

JACK E WEBB
1714 N 5TH ST
MILWAUKEE WI 53212

PAK RENTAL & CONSTRUCTION
2842 S 49TH ST
MILWAUKEE, WI 53219

DAVID L WARD
3433 N 5TH ST
MILWAUKEE, WI 53212

LEMUEL K KILLINS
MARY H KILLINS FKA HICKMAN
3415 N MARTIN LUTHER KING DR
MILWAUKEE, WI 53212

PRISUN LLC
3500 N PORT WASHINGTON AV
MILWAUKEE, WI 53212

DAVID M MASON
1619 W CAPITOL DR
MILWAUKEE, WI 53206

LETDELL B BRIGGS
SHARRON L BRIGGS
3358 N 6TH ST
MILWAUKEE WI 532121447

RIDDELL FAIRFIELD
FELICIA FAIRFIELD
3450 N PORT WASHINGTON AV
MILWAUKEE, WI 53212

very close to the edge



ROBERT C STEPHENS
LINDA J STEPHENS
3512 N MLK DR
MILWAUKEE WI 53212

US BANK NATIONAL ASSN AS
TR FOR CMLTI 2007-WFHE2
3476 STATEVIEW BLVD
FORT MILL SC 29715

RODERICK JOHNSON
CONNIE JOHNSON
4618 N 18TH ST
MILWAUKEE, WI 53209

US BANK NATIONAL ASSN AS
TR OF CITIGROUP MTG LOAN TR
10801 6TH ST STE 130
RANCHO CUCAMONGA CA 91730

SAHEJ LLC
3510 N 7TH ST
MILWAUKEE, WI 53212

WILMA RAY
3172 N 47TH ST
MILW WI 53216

SHILOH TABERNACLE INC
3436 N PT WASHINGTON AV
MILWAUKEE WI 53212

WISCONSIN ELECTRIC POWER CO
C/O REAL ESTATE DEPT
231 W MICHIGAN ST
MILWAUKEE, WIS 53201

SHILOH TABERNACLE UHCA
4355 N 104TH ST #101
MILWAUKEE WI 532221929

Y & K ENTERPRISES LLC
1535 W NORTH AV
MILWAUKEE, WI 53205

SONIE & HARRY HACK
9830 N COURTLAND DR
MEQUON, WI 530926052

YOLANDA BUSH
5519 N 31ST ST
MILWAUKEE, WI 53209

STATE OF WISCONSIN
MILW WOMEN CORRECTIONAL CTR
P.O. BOX 1947
FOND DU LAC, WI 549361947

VICTOR KNIGHT
VOLUNTEERS OF AMERICA
1660 DUKE ST
ALEXANDRIA VA 22314

TERESA BEAMON
5341 N 57TH ST
MILWAUKEE, WI 53218

JIM STEWART
VOLUNTEERS OF AMERICA
1661 N WATER ST #401
MILWAUKEE WI 53202

TOMMY WESTBROOK
P O BOX 16921
MILWAUKEE WI 532160921

RUSSELL McLAUGHLIN AIA
1414 UNDERWOOD AV #301
WAUWATOSA WI 53213

TRIBRIDGE DEVELOPMENT LLC
3846 W WISCONSIN AV #106
MILWAUKEE, WI 53208



Legislation Details (With Text)

File #: 090701 **Version:** 0

Type: Resolution **Status:** In Committee

File created: 9/22/2009 **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 Latitude, on land located West of North Farwell Avenue and South of East Kenilworth Place, in the 3rd Aldermanic District.

Sponsors: ALD. KOVAC

Indexes: PLANNED UNIT DEVELOPMENTS, ZONING, ZONING DISTRICT 03

Attachments: Hearing Notice List, Exhibit A as of 10-19-09.pdf, Exhibit A Continued-1 as of 10-19-09.pdf, Exhibit A Continued-2 as of 10-19-09.pdf, Affidavit for Zoning Change.pdf, City Plan Commission Letter.pdf

Date	Ver.	Action By	Action	Result	Tally
9/22/2009	0	COMMON COUNCIL	ASSIGNED TO		
9/24/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
10/21/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number

090701

Version

ORIGINAL

Reference

080742

Sponsor

ALD. KOVAC

Title

Resolution permitting a minor modification to a Detailed Planned Development known as Latitude, on land located West of North Farwell Avenue and South of East Kenilworth Place, in the 3rd Aldermanic District.

Analysis

This resolution will allow for a change in brick size, modification to the storefront at the utility vault entrance, removal of the trellis at the bike path elevation for replacement with extensions of decorative metal at the railings, and a change in glass color for the storefront and unit windows from tinted to clear.

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 Latitude was approved by the Common Council of the City of Milwaukee on December 12, 2008, under File No. 080742; and

Whereas, A change in brick size, modification to the storefront at the utility vault entrance, removal of the trellis at the bike path elevation for replacement with extensions of decorative metal at the railings, and a change in glass color for the storefront and unit windows from tinted to clear, 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 the minor modification to the approved plan permitting a change in brick size, modification to the storefront at the utility vault entrance, removal of the trellis at the bike path elevation for replacement with extensions of decorative metal at the railings, and a change in glass color for the storefront and unit windows from tinted to clear, is approved.

Drafter

DCD:AJF:ajf

09/22/09/B

NOTICES SENT TO FOR FILE : 090701

[illegible]

KINDNESS

architecture + planning

September 16, 2009

Common Council
c/o Department of City Development
809 N Broadway, 2nd Floor
Milwaukee, WI 53202

Re: Minor Modification to Detail Planned Development
1857 E Kenilworth Pl
File Number: 080742

Dear Members of the Council:

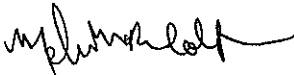
Our client, 1857 E Kenilworth LLC, requests a minor modification to the approved Detail Planned Development for the Latitude development, located at 1857 East Kenilworth Place. The project team has met with Alderman Kovac, DCD staff, Eastside BID Executive Director and neighboring building owners to garner input, which resulted in favorable support. This letter along with the accompanying drawings describes the modifications.

The changes to the Detail Planned Development include the following.

1. Provide clear Low-E glass at the storefront and unit windows in lieu of the tinted gray.
2. Provide utility-size brick throughout in lieu of modular brick. The brick remains as originally specified – Endicott Clay Products, Manganese Iron Spot Velour.
3. Provide decorative metal posts in lieu of the wood trellis at south elevation. The wood trellis poses a climbing hazard.
4. Provide a display box and modified entrance in lieu of the display window at the northwest corner of the building. WE Energies requires a transformer to provide electricity to the building in an interior room. The room must be accessed from the exterior and needs to be protected with a 3 hour enclosure, which limits the glass allowed.

Thank you for your time and consideration. If you need additional information or have any questions, please feel free to contact me at 414.763.3673.

Respectively,



Melissa M Rudolph
Project Manager

Kindness Architecture + Planning, Inc.

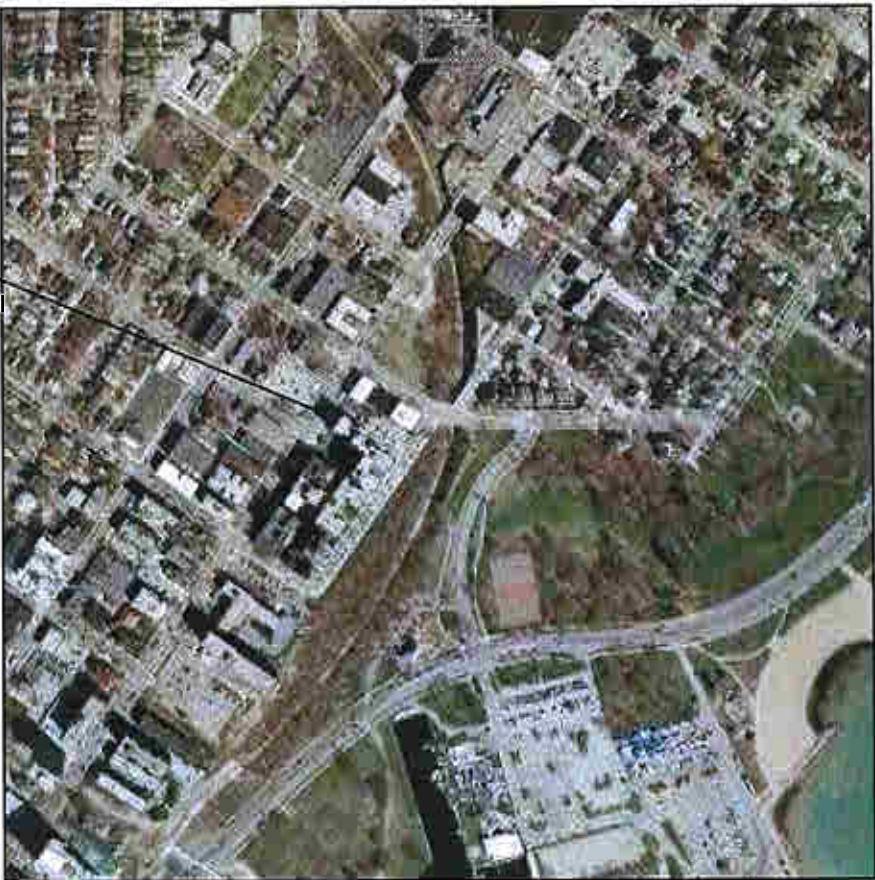
Encl. T1 Titlesheet
A1 Site Plan
A2 Detail Plans
A3 North Elevation
A4 South Elevation
A5 Color Elevations
A6 Kenilworth Perspective 1
A7 Kenilworth Perspective 2
A8 Bike Path Perspective

KENILWORTH

DETAILED PLAN DEVELOPMENT



PROJECT LOCATION



PROJECT AND BUILDING DATA

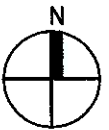
OVERALL BUILDING:	32,196 SF FOOTPRINT 19,129 SF APARTMENTS 57,387 GROSS 14,440 SF CONDO'S
ZONING:	5 STORIES PLANNED DEVELOPMENT
OCCUPANCY:	R-2 RESIDENTIAL A-2 RESTAURANT / M MERCANTILE / B BUSINESS S-2 PARKING
CONSTRUCTION TYPE:	1A - GROUND LEVEL VA - 2-5 LEVELS

SHEET INDEX

T1 TITLE SHEET

ARCHITECTURAL

A1	SITE PLAN
A2	DETAIL PLANS
A3	NORTH ELEVATION
A4	SOUTH ELEVATION
A5	COLOR ELEVATIONS
A6	KENILWORTH PERSPECTIVE #1
A7	KENILWORTH PERSPECTIVE #2
A8	BIKE PATH PERSPECTIVE



KENILWORTH
MILWAUKEE, WI

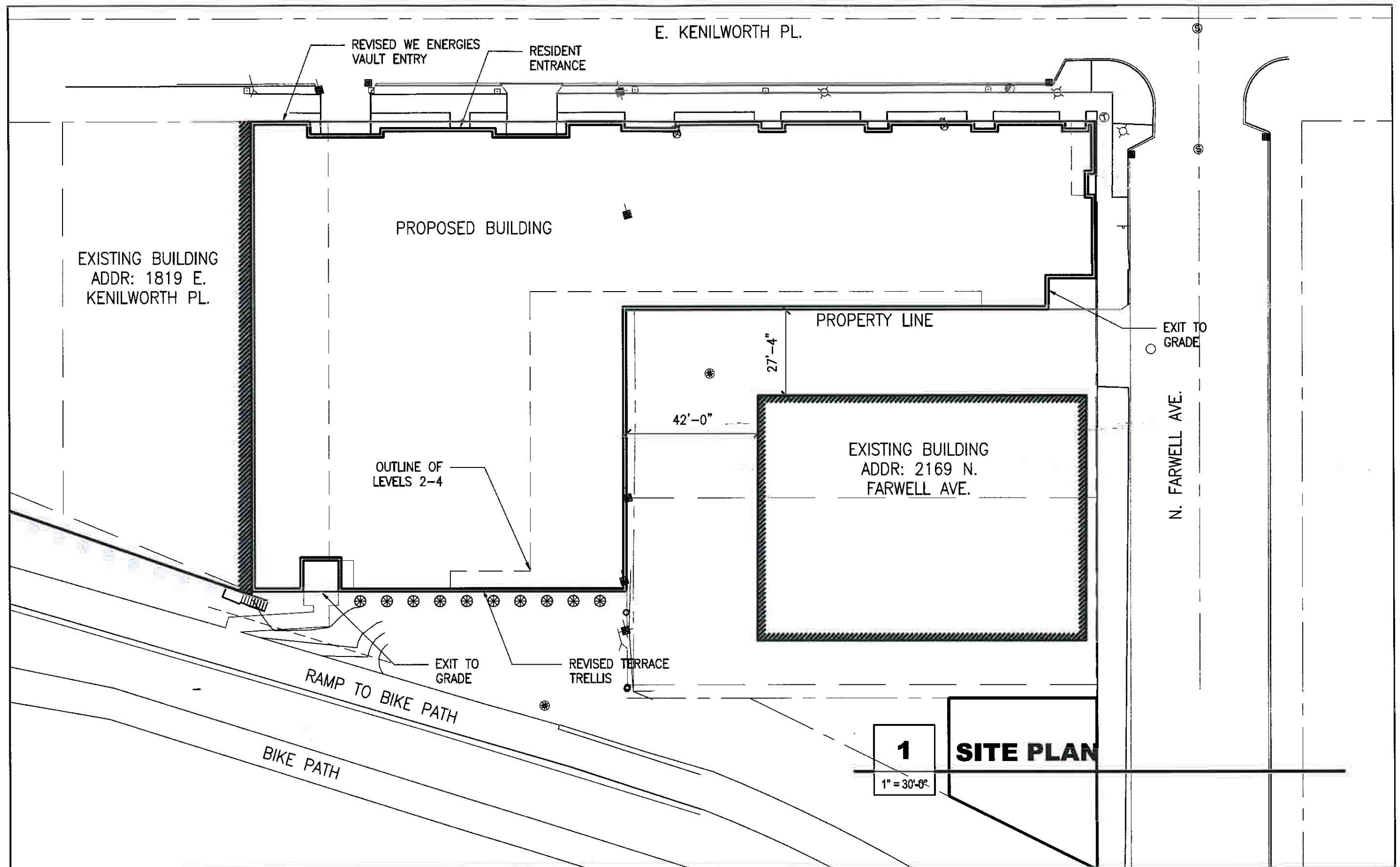
DATE: 09-16-09
SCALE: NTS

T1

KINDNESS

architecture + planning

517 e manomonee st. MILWAUKEE wi 53202



KENILWORTH
MILWAUKEE, WI

DATE: 09-16-09
SCALE: AS NOTED

A1

KINDNESS
architecture + planning
517 e manomonee st. MILWAUKEE WI 53202



TUBE STEEL ACCENTS
 WHITE CMU BLOCK WALL
 FACE BRICK INFILL PANEL
 SOUTH ELEVATION



FACE BRICK VENEER
 ALUMINUM STOREFRONT
 HOLLOW METAL DOOR
 METAL LOUVERS
 NORTH ELEVATION



KENILWORTH
 MILWAUKEE, WI

DATE: 09-16-09
 SCALE: AS NOTED



A5



KENILWORTH STREET NORTH PERSPECTIVE
MILWAUKEE, WI

DATE: 09-16-09
SCALE: AS NOTED

KINDNESS
architecture + planning
517 e kenilworth st. MILWAUKEE WI 53202

A6



KENILWORTH STREET NORTH PERSPECTIVE
MILWAUKEE, WI

DATE: 09-16-09
SCALE: AS NOTED



A7

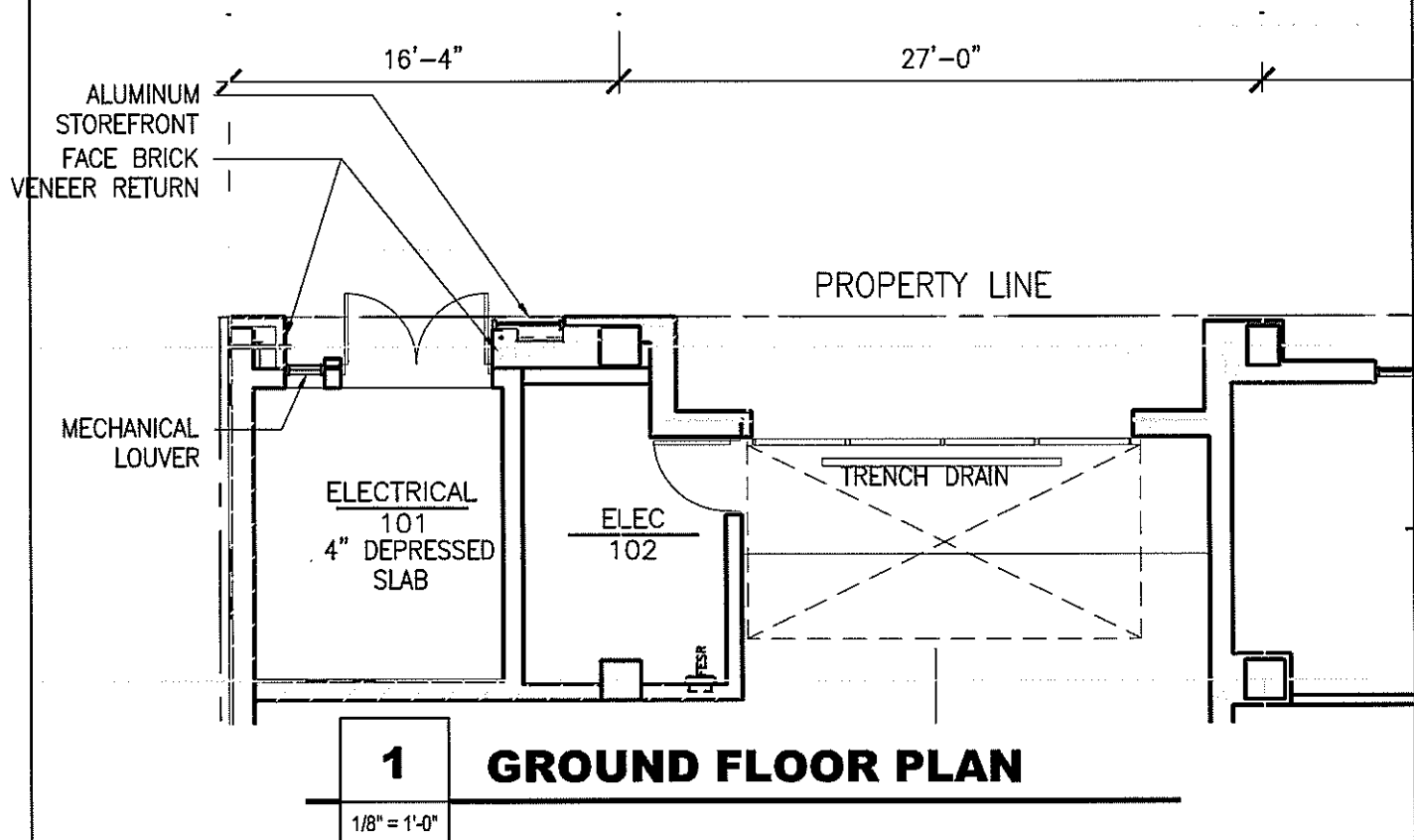
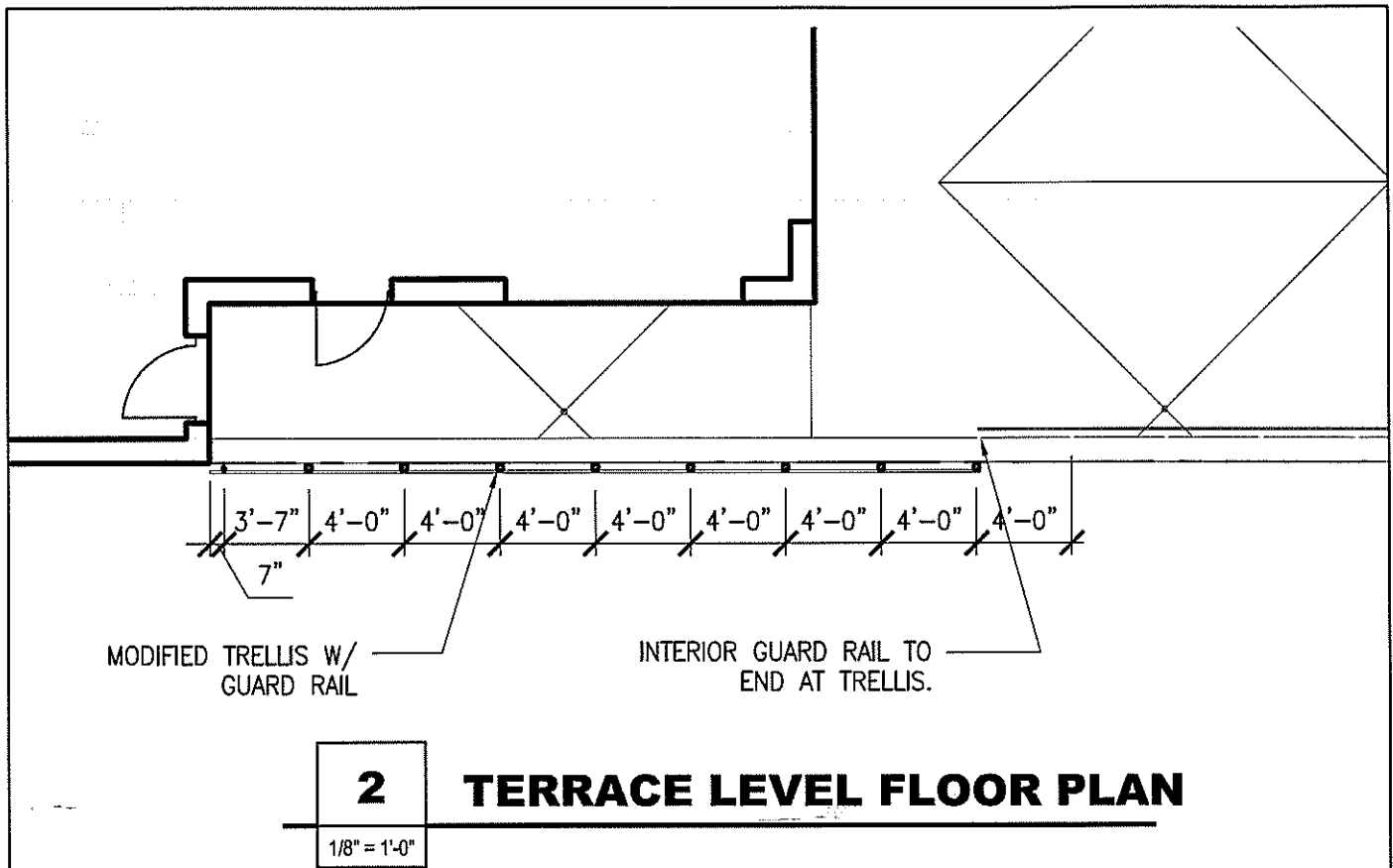


KENILWORTH BIKE PATH SOUTH PERSPECTIVE
MILWAUKEE, WI

DATE: 09-16-09
SCALE: AS NOTED



A8





KINDNESS

architecture + planning

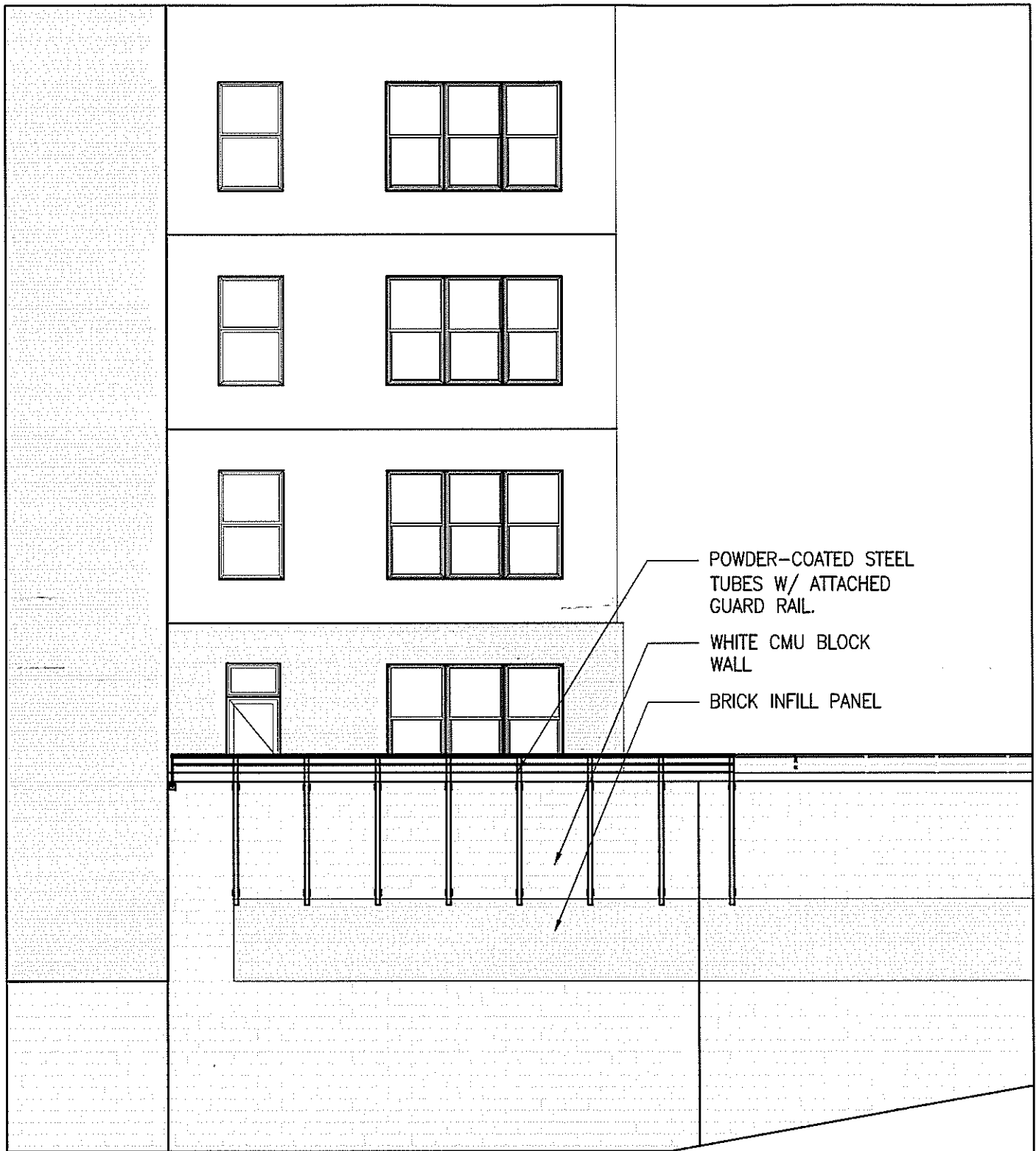
517 e menomonee st. MILWAUKEE w i 53202

KENILWORTH

1857 E. KENILWORTH PL
MILWAUKEE, WI 53202

A3

09-16-09



1

SOUTH ELEVATION

1/8" = 1'-0"

KINDNESS

architecture + planning

517 e menomonee st. MILWAUKEE wi 53202

09/08/09

KENILWORTH

1857 E. KENILWORTH PL
MILWAUKEE, WI 53202

08-110

A4

09-16-09

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 15th day of September, 2009.

Sarah Zweifel
Petitioner (signature)
Sarah Zweifel - Owners Rep.
(print name, relationship to project)

Subscribed and sworn to before me

This 15th day of September, 2009

[Signature]
Notary Public, State of Wisconsin

My commission expires: 5/26/13

Office Use Only: File no. 090701

October 19, 2009

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

Dear Committee Members:

File No. 090701 permits a minor modification to a Detailed Planned Development (DPD) known as Latitude, on land located West of North Farwell Avenue and South of East Kenilworth Place, in the 3rd Aldermanic District.

This file will allow for a change in brick size, modification to the storefront at the utility vault entrance, removal of the trellis at the bike path elevation and replacement with extensions of decorative metal at the railings, and a change in glass color from tinted to clear.

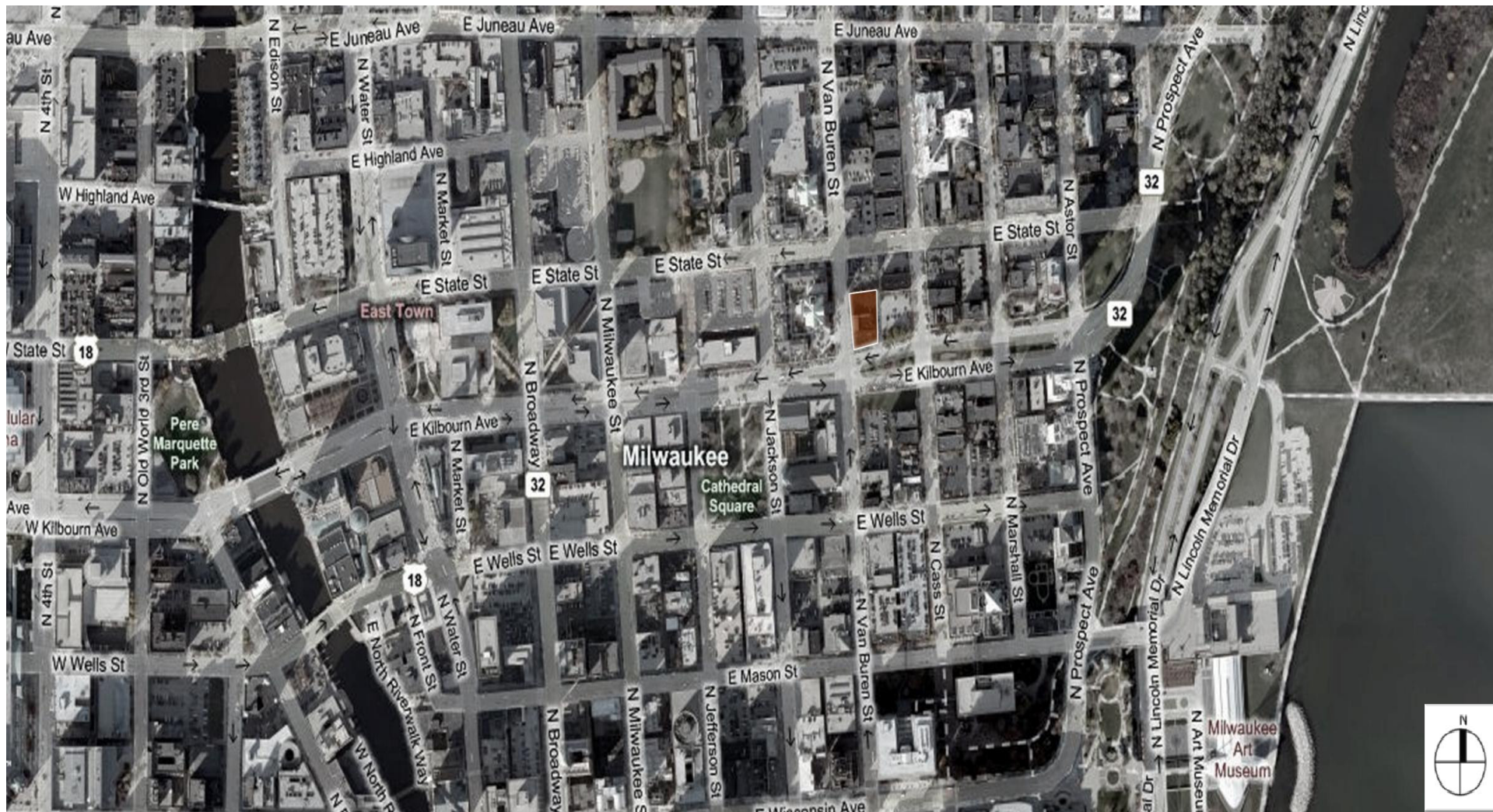
Specifically, the previously approved tinted gray glass will be changed to clear Low-E glass at the storefront and window units. The modular brick will be replaced with utility-size brick throughout the building. The color and manufacturer will remain the same. In lieu of the wood trellis at the south elevation, which could pose as a safety/climbing hazard, decorative metal posts will be added. Finally, a display box and modified entrance will be added in lieu of the display window at the northwest corner of the building. WE Energies requires a transformer to provide electricity to the building in an interior room. The room must be accessed from the exterior and needs to be protected with a 3 hour enclosure, which limits the glass allowed. All other aspects of the previously approved plans will remain the same

Since the proposed change is consistent with the previously approved DPD, the City Plan Commission at its regular meeting on October 19, 2009 recommended approval of the subject file.

Sincerely,

Rocky Marcoux
Executive Secretary
City Plan Commission of Milwaukee

cc: Ald. Nik Kovac











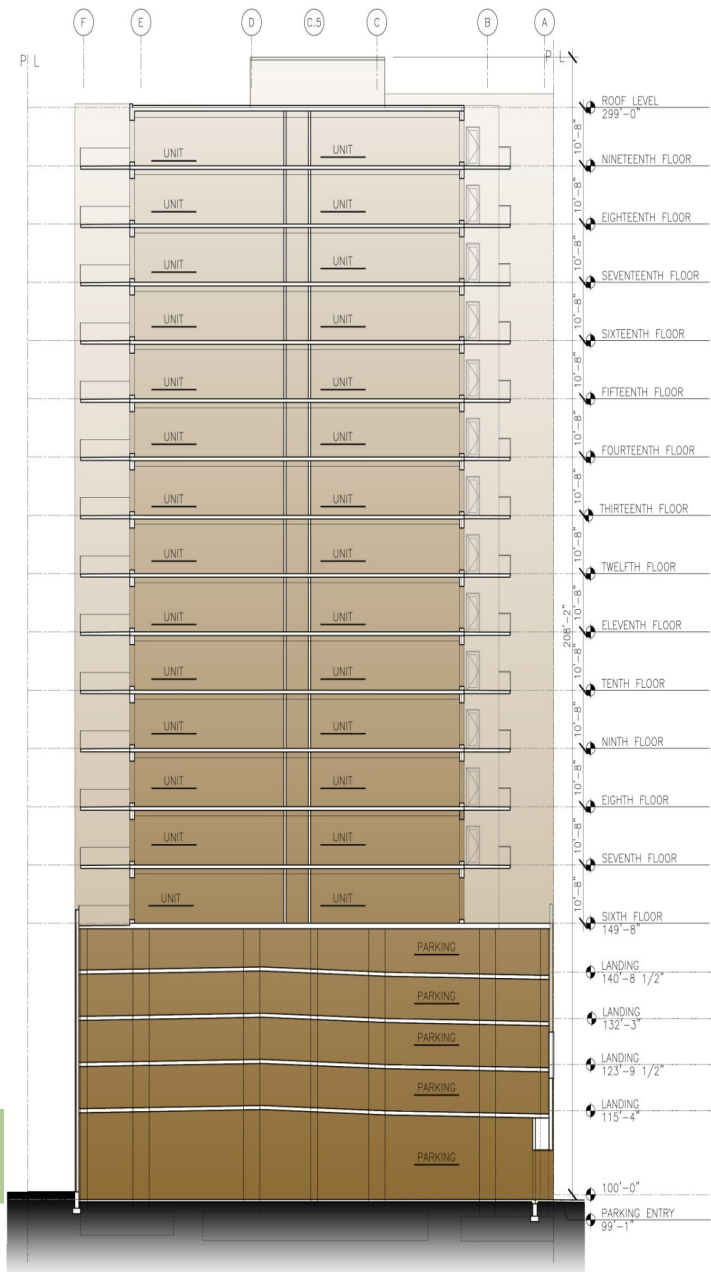






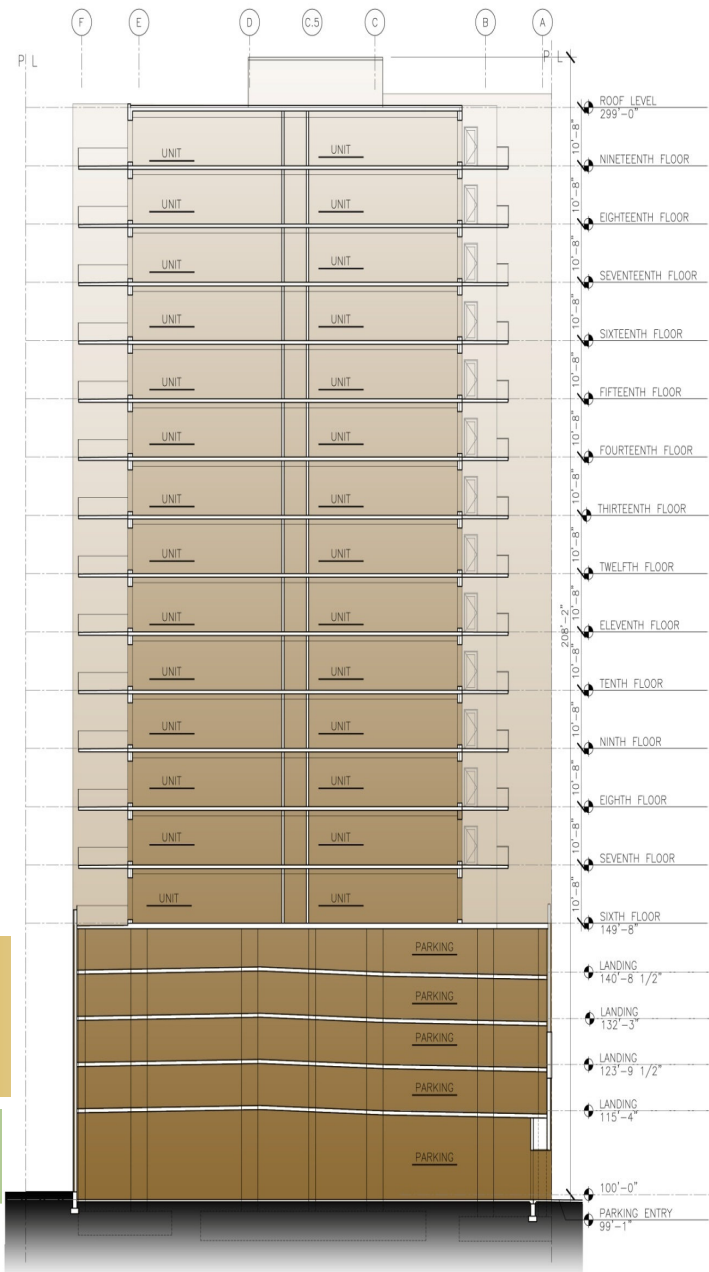
K&VB – EAST /WEST BUILDING SECTION

Retail/ resident
amenities



Resident Parking

Retail/ resident
amenities



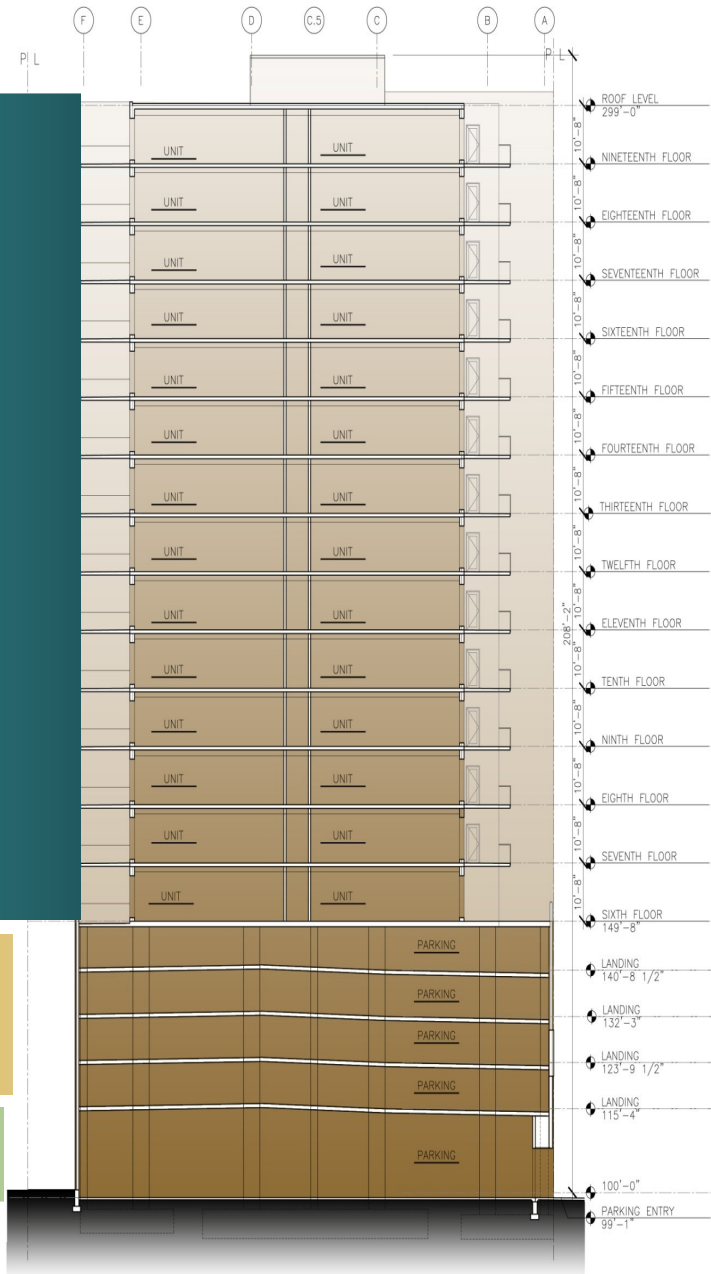
K&VB – EAST /WEST BUILDING SECTION

MINDNESS
architecture + planning

Resident Living space

Resident Parking

Retail/ resident amenities



K&VB – EAST /WEST BUILDING SECTION

MINDNESS
architecture + planning

DPD:

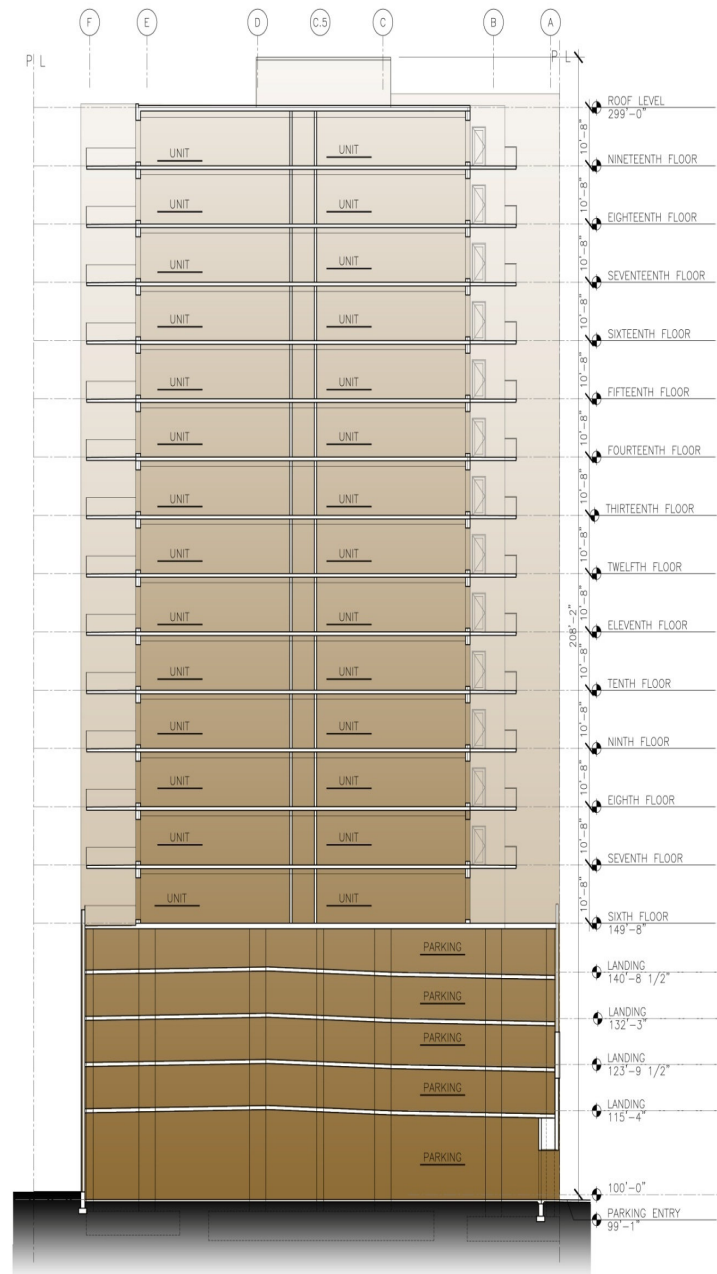
Height: 19 stories

Dwelling Units: 224

Setbacks: Side – 5'-0"
 Side, street – 0'-0"
 Rear – 11'-0"
 Front, street – 0'-0"

Site Coverage: 24,700 SF

Parking: 292 residential spaces



K&VB – EAST /WEST BUILDING SECTION

MINDNESS
architecture + planning

DPD:

Height: 19 stories

Dwelling Units: 224

Setbacks: Side – 5'-0"
Side, street – 0'-0"
Rear – 11'-0"
Front, street – 0'-0"

Site Coverage: 24,700 SF

Parking: 292 residential spaces

GPD:

Height: Up to 20 stories

Dwelling Units: Up to 230

Setbacks: Side – 5'-0"
Side, street – 0'-0"
Rear – 11'-0"
Front, street – 0'-0"

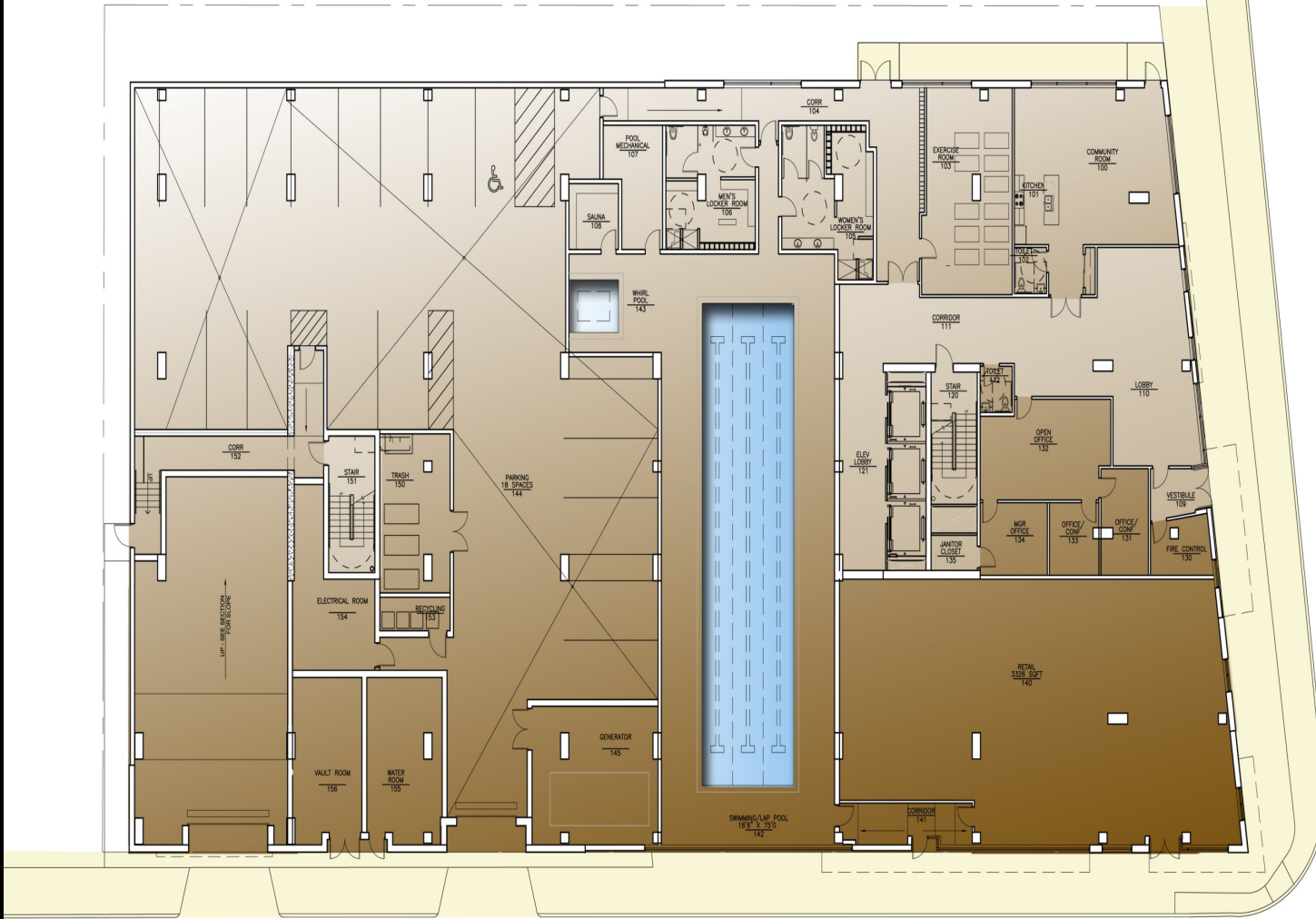
Site Coverage: 25,475 SF

Parking: 288 residential spaces

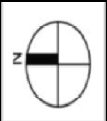


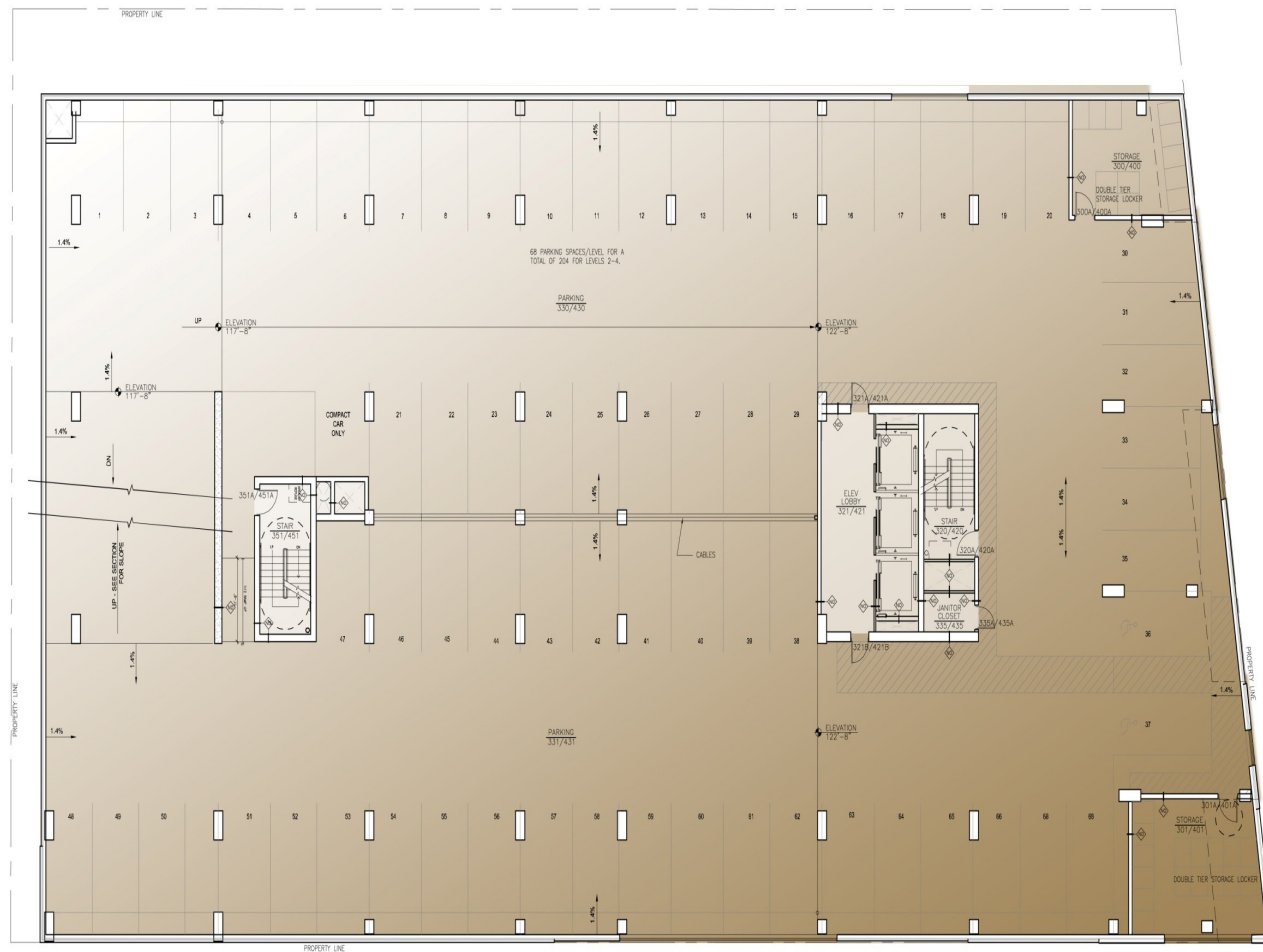
K&VB – EAST /WEST BUILDING SECTION

MINDNESS
architecture + planning

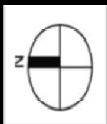


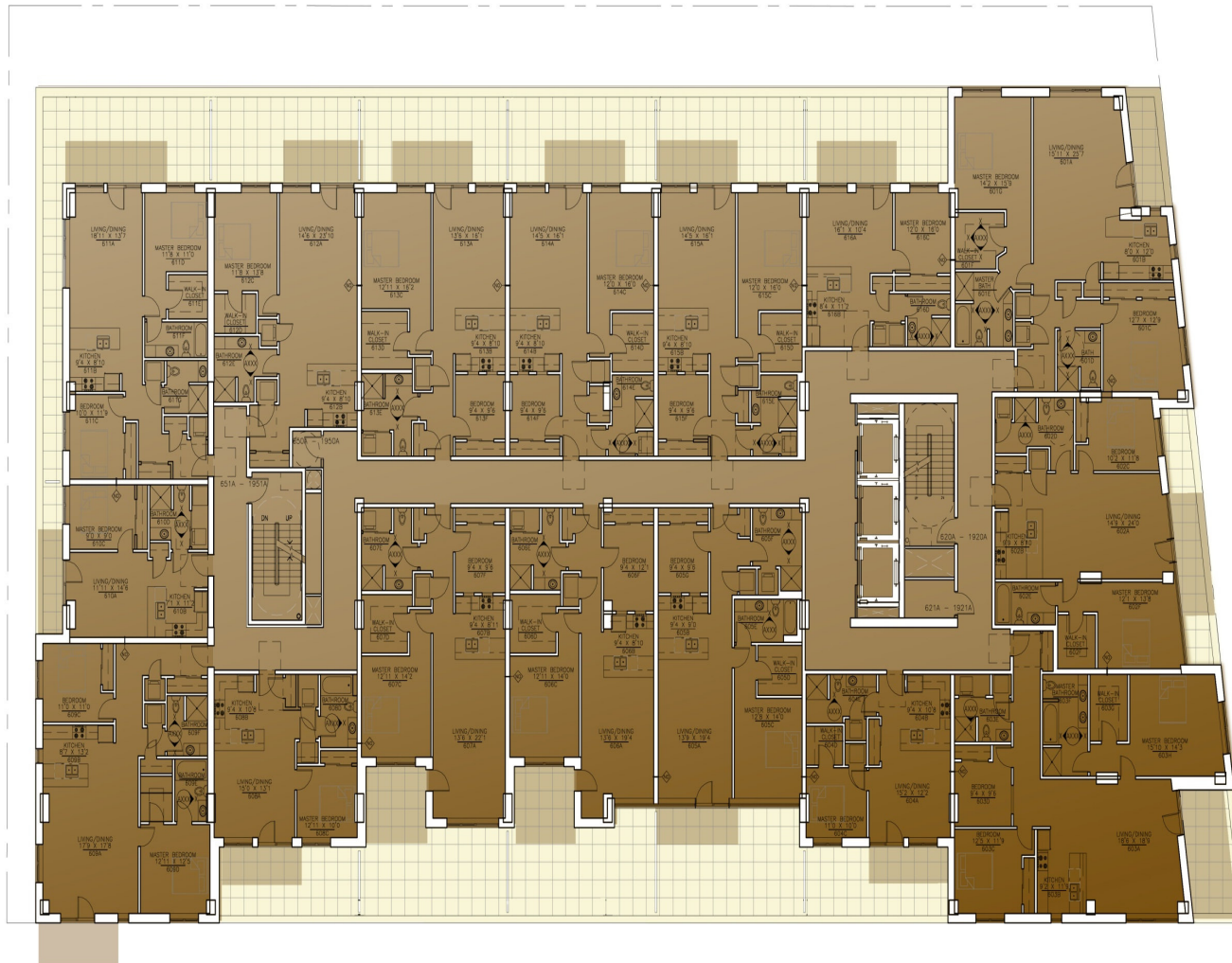
K&VB –GROUND LEVEL FLOOR PLAN 1ST FL



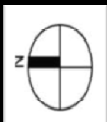


K&VB – TYP PARKING LEVEL FLOOR PLAN 2ND-5TH FL





K&VB – TERRACE UNIT FLOOR PLAN 6TH FL

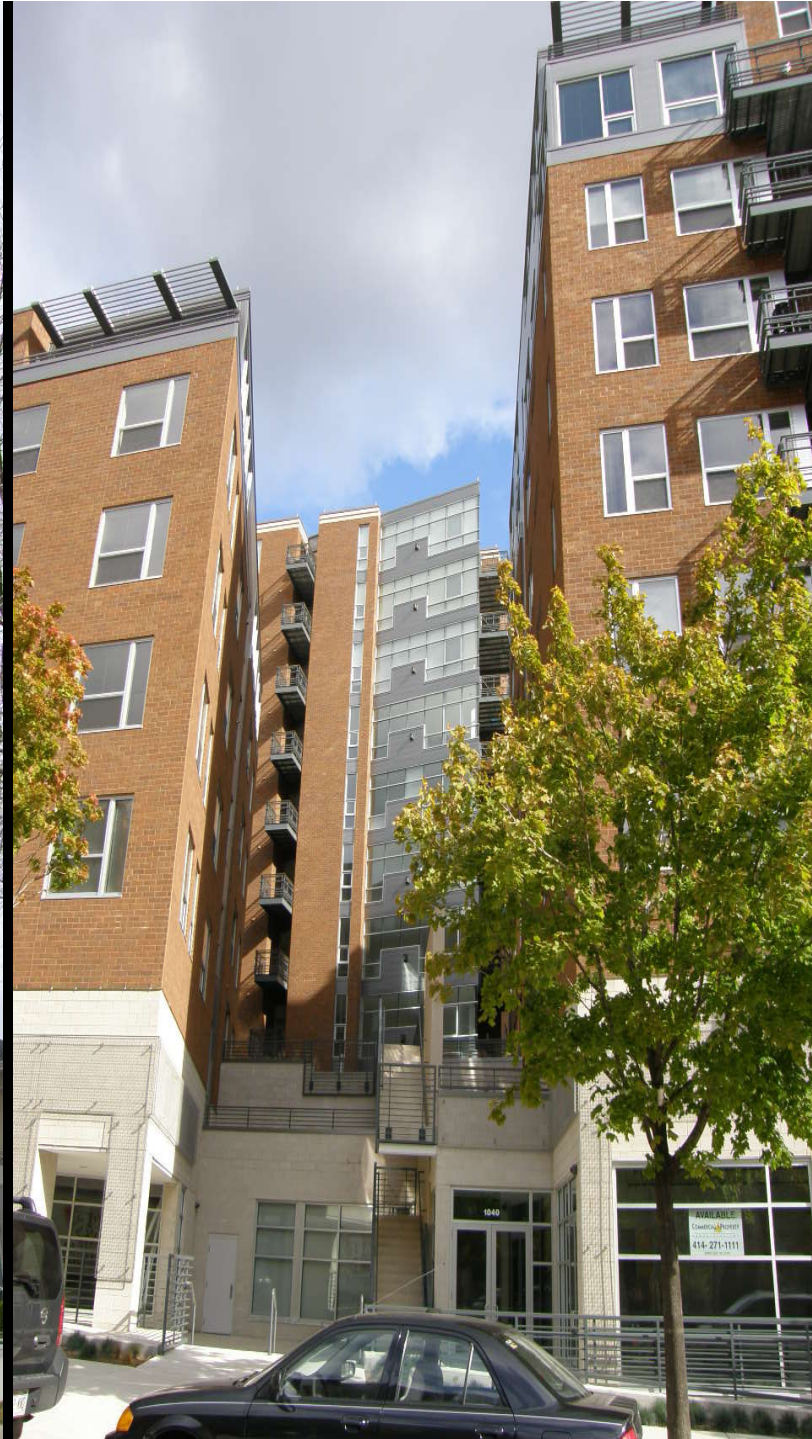




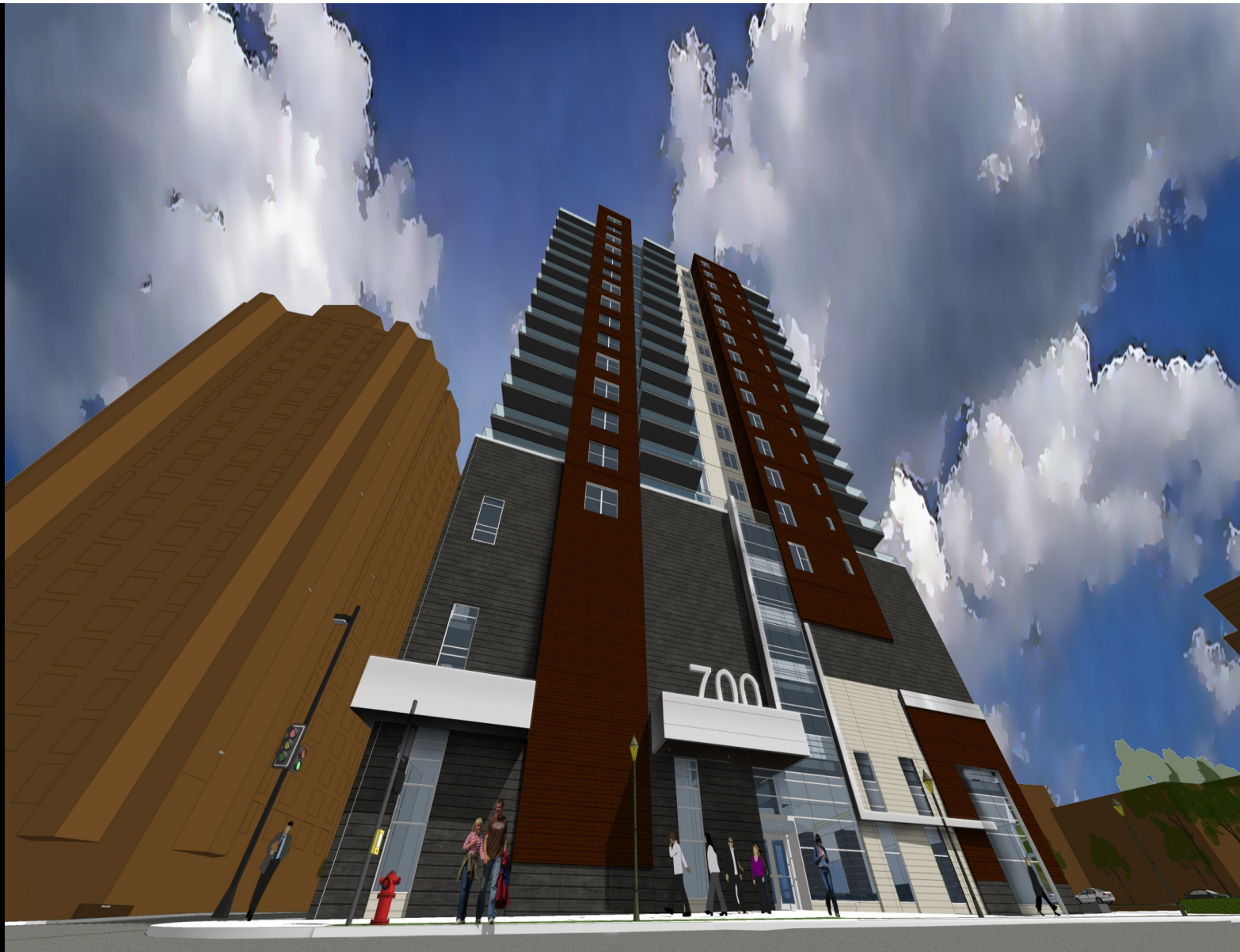
















Legislation Details (With Text)

File #: 090428 **Version:** 1

Type: Ordinance **Status:** In Committee

File created: 7/28/2009 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: A substitute ordinance relating to vacant building registration and requirements.

Sponsors: ALD. DAVIS, ALD. KOVAC, ALD. WADE, ALD. BOHL, ALD. HINES JR.

Indexes: BUILDING CODE, BUILDING INSPECTION, DEPARTMENT OF NEIGHBORHOOD SERVICES

Attachments: Cover Letter, Proposed Sub A, Fiscal Note, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
7/28/2009	0	COMMON COUNCIL	ASSIGNED TO		
10/13/2009	1	CITY CLERK	Sponsor added		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	CITY CLERK	Sponsor added		

Number

090428

Version

SUBSTITUTE 1

Reference

Sponsor

ALD. DAVIS, KOVAC, WADE and BOHL

Title

A substitute ordinance relating to vacant building registration and requirements.

Sections

200-19-2 am

200-33-63.5 rn

200-33-64 rn

200-33-64 cr

200-33-65 rn

200-33-66 rn

200-33-67 rn

200-33-68 rn

200-51.7 cr

275-32-7-a-0 am

275-32-7-a-3 am

275-32-7-a-5 am

275-32-7-a-7 am

Analysis

This ordinance specifies that the owner of any building that has become vacant shall within 30 days after the building becomes vacant or within 30 days after assuming ownership, whichever is later, file a registration statement for each such building with the department of neighborhood services on forms provided by the department. The ordinance also requires the owner to enclose and secure the building. In addition, the ordinance specifies minimum requirements for vacant buildings that include lot maintenance, exterior maintenance, interior maintenance and building security standards. A violation of these regulations subjects the owner to the standard building code forfeiture - not less than \$150 per violation per day nor more than \$5,000 for each premises not to exceed \$10,000 imposed for any violation.

Body

Whereas, Economic conditions and the rise in the number of mortgage foreclosures has resulted in a significant increase in the number of vacant buildings; and

Whereas, Vacant buildings often become abandoned and dilapidated because they are not maintained by their owners; and

Whereas, Vacant buildings often are not properly managed or monitored, may facilitate drug dealing and other criminal activity, may harbor vermin, attract trespassers, attract nuisance activity, and attract criminals and may be damaged by vandals or arsonists; and

Whereas, Vacant buildings invite dumping, trash and other debris; and

Whereas, Vacant buildings contribute to blight, causing a decrease in property values and

discouraging neighbors from making improvements to their buildings, encouraging neighbors to move out of the neighborhood and discouraging persons from moving into the neighborhood; and

Whereas, The City of Milwaukee spends additional public safety resources on vacant buildings, as well as the staff and time to secure or demolish vacant buildings; and

Whereas, The Common Council considers these vacant buildings to have a negative effect on the neighborhoods and constitute a hazard to the public health, safety and welfare; now, therefore

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 200-19-2 of the code is amended to read:

200-19. Penalties.

2. In addition to other applicable enforcement procedures and pursuant to the authority of s. 66.0113, Wis. Stats., the department may issue citations pursuant to the citation procedure set forth in s. 50-25 to any person violating any provision of ss. 200-11, 200-20-2, 200-21.5, 200-22-5, 200-24, 200-42, >>200-51.7,<< 200-61, ch. 207, ch. 214, ss. 218-2, 218-6, 218-9-6, 222-11-2, 222-13-1, 222-19-1, ch. 223, ss. 225-2-1, 225-3-4, 225-3-5-a, ch. 236, ch. 240, s. 244-3, ch. 246, s. 252-1, ch. 261, ch. 275, ch. 289, ch. 290, ch. 295 or s. 308-81-9.

Part 2. Section 200-33-63.5 to 68 of the code is renumbered to 200-33-65 to 70.

Part 3. Section 200-33-64 of the code is created to read:

200-33. Fees.

64. VACANT BUILDING REGISTRATION CERTIFICATE. a. Each vacant building registration certificate shall be issued and shall be valid for 6 months from the date the certificate is issued.
b. There shall be no fee for the initial registration for each building.
c. There shall be a vacant building inspection renewal fee of \$250 for each building.
d. Any building in violation of any of the provisions of s. 200-51.7 at the time of renewal shall be charged a fee of \$500.
e. Any building continuing to be in violation of any of the provisions of s. 200-51.7 at the time of subsequent renewals shall be charged a fee in increasing increments of \$250 at each renewal to a maximum of \$1,000.
f. Vacant building inspection fees shall be charged against the real estate and shall be assessed and collected as a special charge. (See s. 200-51.7.)

Part 4. Section 200-51.7 of the code is created to read:

200-51.7. Vacant Building Registration.

1. PURPOSE. Registering of residential buildings or any other building, including, but not limited to, buildings designed for manufacturing, industrial, storage or commercial uses is essential for the proper enforcement of the city's building, fire and zoning code and to safeguard persons, property and general welfare. Residential condominium and rental units are excluded from this section provided the vacancy rate of the building they are situated in does not exceed 95%.

2. DEFINITIONS. In this section:

a. "Owner" means the person in whom is vested all or part of the legal title to the property or all or part of the beneficial ownership and right to present use and enjoyment of the premises.

- b. "Secured" means a building that has a permanent door or window in each appropriate building opening that is secured to prevent unauthorized entry and has all its door and window components, including frames, jambs, rails, stiles, muntins, mullions, panels, sashes, lights and panes intact and unbroken.
- c. "Vacant" means a building which lacks habitual presence of human beings who have a legal right to be on the premises, or at which substantially all lawful business or construction operation or residential occupancy is at a level of at least 95% vacant. An owner occupied single family home or owner occupied 2-family dwelling residential property shall not be deemed vacant if it has been used as a residence by the owner for a period of at least 3 months within the previous 9 months and the owner intends to resume residing at the property.
- d. "Violation" means that an order has been issued by the department and the conditions forming the basis for the order have not been fully abated.
- e. "Unsecured" means any building that does not meet the definition of secured.
- 3. REGISTRATION REQUIRED.** a. The owner of any building that has become vacant shall within 30 days after the building becomes vacant or within 30 days after assuming ownership, whichever is later, file a registration statement and pay a registration fee as prescribed in s. 200-33-64 for each such building with the department on forms provided by the department.
- b. In addition to other information, the registration statement shall include the name, street address and telephone number of a person 21 years of age or older, designated by the owner or owners as the authorized agent for receiving notices of code violations and for receiving process, in any court proceeding or administrative enforcement proceeding, on behalf of the owner or owners in connection with the enforcement of this section. This person shall reside within the 7-county area as described in s. 200-51.5-2-j.
- c. The owner shall be required to renew the registration for successive 6-month periods as long as the building remains vacant and shall pay a registration renewal fee as prescribed in s. 200-33-64 for each registered building.
- 4. EXEMPTIONS.** The following are exempt from the provisions of this section:
- a. Property owned by governmental bodies and the housing authority.
- b. Abandoned residential property pending foreclosure while subject to s. 200-22.5.
- c. Property that is vacant as a result of a natural disaster and covered by emergency response requirements issued by the commissioner.
- d. Property that is undergoing an active renovation or rehabilitation.
- e. A single family home or owner-occupied 2-family dwelling residential property that has been used as a residence by the owner for a period of at least 3 months within the previous 9 months and the owner intends to resume residing at the property.
- f. Residential condominium and rental units in buildings whose vacancy rate does not exceed 95%.
- g. Properties that are part of an estate that is in probate and are not subject to bankruptcy provided the personal representative or executor resides in the 7 county area as defined in 200-51.5-2-j.
- 5. OWNER RESPONSIBILITIES.** The owner of any building that has become vacant shall:
- a. Enclose and secure the building as provided in sub. 6.
- b. Maintain the building in a secure and closed condition until the building is again occupied or demolished.
- c. Acquire or otherwise maintain liability insurance in an amount not less than \$300,000 for buildings designed primarily for residential use and not less than \$1,000,000 for any other building, including, but not limited to, buildings designed for manufacturing, industrial, storage or commercial uses, covering any damage to any person or any property caused by any physical condition of or in the building. Evidence of this insurance shall be available at the request of the commissioner.
- 6. MINIMUM REQUIREMENTS FOR VACANT BUILDINGS.** After filing a registration statement the building owner shall provide access to the city to conduct an exterior and interior inspection of the

building to determine compliance with this section, following reasonable notice, during the period covered by the initial registration or any subsequent renewal. In addition to any other applicable requirements, vacant buildings shall comply with the following requirements:

a. Lot Maintenance Standards. Lot maintenance standards include the lot the building stands on and the surrounding public way and shall meet the following:

a-1. All grass and weeds on the premises including abutting sidewalks, gutters and alleys shall be kept below 9 inches in height and all dead or broken trees, tree limbs or shrubbery shall be cut and removed from the premises.

a-2. Any public sidewalk adjoining the lot shall be shoveled clear of snow so as to comply with s. 79-13.

a-3. Junk, rubbish, waste and any material that creates a health, safety or fire hazard, including but not limited to any mail or flyers that have been delivered to the building, shall not be permitted to accumulate on any portion of the exterior lot of the building.

a-4. No portion of the lot nor any structure, vehicle, receptacle or object on the premises shall be maintained or operated in any manner that causes or produces any health or safety hazard or permits the premises to become a rodent harborage or is conducive to rodent harborage.

a-5. The lot shall be maintained so that water does not accumulate or stand on the ground.

a-6. All fences and gates shall be maintained in sound condition and in good repair.

b. Exterior Maintenance Standards. The exterior of the building shall be enclosed, secured and maintained to meet the following:

b-1. Foundations, basements, cellars and crawlspaces shall be maintained in sound and watertight condition adequate to support the building and protected against the entry of rodents or other animals.

b-2. Exterior walls shall be free of holes, breaks, loose or rotting boards or timbers, and any other conditions which might admit rain or dampness to the interior portions of the walls or the interior spaces and shall be protected against the entry of rodents or other animals.

b-3. Exterior windows and doors shall be maintained in sound condition and good repair and prevent rain from entering the building, or the opening shall be secured in accordance with s. 275-32-7. The windows and doors shall be equipped with hardware for locking and the locking mechanism shall be maintained in properly functioning condition. All points of possible ingress and egress shall be secured to prevent unauthorized entry.

b-4. The roof shall be adequately supported and maintained in weathertight condition; the gutters, downspouts, scuppers and appropriate flashing shall be in good repair and adequate to remove the water from the building.

b-5. Chimneys and flues shall be kept in sound, functional, weathertight condition and in good repair.

b-6. Every outside stair or step shall be maintained in sound condition and in good repair; every porch, stoop, deck, veranda, balcony and walk shall be maintained in sound condition for its purpose.

c. Interior Maintenance Standards. The interior of any building shall be maintained in accordance with the following:

c-1. It is prohibited to accumulate or permit the accumulation of junk, trash, debris, boxes, lumber, scrap metal or any other materials that may produce any health, fire or safety hazard, or provide harborage for rodents or other animals.

c-2. Every foundation, roof, floor, wall, stair, ceiling or other structural support shall be safe and capable of supporting the loads associated with normal usage and shall be kept in sound condition and repair.

c-3. Any plumbing fixtures shall be maintained with no leaking pipes, and all pipes for water shall either be completely drained or heated to resist being frozen.

c-4. Every exit door shall be secured with an internal deadbolt lock, or with a locking mechanism deemed equivalent or better by the department, and every exit door shall be capable of being opened

from the inside easily and without the use of a key or special knowledge.

c-5. Interior stairs shall have treads and risers that have uniform dimensions, are sound, securely fastened and have no rotting, loose or deteriorating supports.

c-6. Every owner shall be responsible for the extermination of insects, rodents and other vermin in or about the premises.

d. Building Security Standards. The following apply to the securing of vacant buildings:

d-1. All building openings shall be closed and secured, using methods and materials so as to comply with the requirements of s. 275-32-7.

d-2. If a building has been vacant for 6 months or longer, or upon any renewal of the registration statement, the building owner shall implement and provide proof satisfactory to the department that in addition to complying with the security standards in subd. 1, it is secured. If the building fails to be secured as determined by the commissioner or the commissioner's designee, then the building shall be boarded in accordance with s. 275-32-7.

d-3. If the owner has provided proof that a building is secured and based on an inspection by the department the building is found to be in violation, the commissioner shall send by first class mail a written notice of the violation to the person responsible for day-to-day supervision and management of the building or to the authorized agent for service of process or to the owner of record. Within 30 days of the mailing of the notice of violation, the owner shall be required to either comply with subd. 2 or restore the building to a secured state and also install and maintain a working alarm system. The alarm system shall connect to all areas of the building subject to unauthorized human entry, including but not limited to, all exterior doors, windows or other readily accessible openings. The alarm system shall, upon detecting unauthorized entry, send an automatic signal to a licensed alarm business that has 24-hour live operators who will monitor the system and contact the building owner or designated agent.

7. ISSUANCE OF MODIFICATIONS. Upon written application by an owner or an owner's agent, the commissioner may approve a modification of any provision of this section, including the requirement for inspections and fees, provided the spirit and functional intent of the section will be observed and the public health, welfare and safety will be assured. The decision of the commissioner concerning a modification shall be made in writing and the application for a modification and the decision of the commissioner concerning such modification shall be retained in the permanent records of the department.

8. RULES AND REGULATIONS. The commissioner may issue rules and regulations for the administration of this section. These rules may specify additional board-up materials which may be used when securing a building, if proof is provided satisfactory to the commissioner that the materials will perform in a manner equivalent to, or better than, the materials specified in this section.

9. PENALTY. Any owner failing to comply with any provisions of this section shall be subject to the penalties provided in s. 200-19.

Part 5. Section 275-32-7-a-0,3,5 and 7 of the code is amended to read:

275-32. Exterior Structure.

7. VACANT STRUCTURES; BOARDING. a. Owners shall have the responsibility for maintaining all vacant dwelling units, dwellings, structures, principal buildings and accessory buildings in a locked or closed condition so that they cannot be entered without an unlawful break-in. >>The owner of any building that has become vacant shall within 30 days after the building becomes vacant or within 30 days after assuming ownership, whichever is later, file a registration statement pursuant to s. 200-51.7-3.<< The commissioner may, to assure compliance with this subsection, order an owner to board a structure.

a-3. Boards shall be cut to fit door and window openings, and >>square head or star drive<< screws

at least ~~[[1-1/2]]~~ >>3<< inches in length >>with washers<< shall be used to fasten boards to a structure.

a-5. Boards shall be >>a minimum of 5/8" thick and be<< painted to match the trim or siding color of the structure, or be painted forest green.

a-7. The owner of a structure boarded under subd. 1 shall be required, upon notification, to provide entry to the structure to the commissioner at least once every ~~[[12]]~~ >>6<< months, for inspection purposes >>as specified in s. 200-57.7<<, or at anytime when the structure has been unlawfully entered.

LRB

APPROVED AS TO FORM

Legislative Reference Bureau

Date: _____

Attorney

IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney

Date: _____

Requestor

Department of Neighborhood Services

Drafter

MET

10/9/09

LRB09299-3



Department of Neighborhood Services
Inspectional services for health, safety and neighborhood improvement

Art Dahlberg
Commissioner

Thomas G. Mishefske
Operations Manager

July 22, 2009

Common Council
City of Milwaukee

Subject: Introduction of Ordinance

Dear Honorable Members:

We are submitting the attached resolutions for introduction at the July 28, 2009, Common Council meeting. We are requesting these files to be introduced by title at this time and will provide the detailed resolution and fiscal note for this purpose at a later date.

Respectfully submitted,

Art Dahlberg
Commissioner

Attachment

..Number
090428
..Version
PROPOSED SUBSTITUTE A
..Reference

..Sponsor
ALD. DAVIS, KOVAC, BOHL and HINES

..Title
A substitute ordinance relating to vacant building registration and requirements.

..Sections
200-19-2 am
200-33-63.5 rn
200-33-64 rn
200-33-64 cr
200-33-65 rn
200-33-66 rn
200-33-67 rn
200-33-68 rn
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275-32-7-a-0 am
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..Analysis
This ordinance specifies that the owner of any building that has become vacant shall within 30 days after the building becomes vacant or within 30 days after assuming ownership, whichever is later, file a registration statement for each such building with the department of neighborhood services on forms provided by the department. The ordinance also requires the owner to enclose and secure the building. In addition, the ordinance specifies minimum requirements for vacant buildings that include lot maintenance, exterior maintenance, interior maintenance and building security standards. A violation of these regulations subjects the owner to the standard building code forfeiture – not less than \$150 per violation per day nor more than \$5,000 for each premises not to exceed \$10,000 imposed for any violation.

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Whereas, Economic conditions and the rise in the number of mortgage foreclosures has resulted in a significant increase in the number of vacant buildings; and

Whereas, Vacant buildings often become abandoned and dilapidated because they are not maintained by their owners; and

Whereas, Vacant buildings often are not properly managed or monitored, may facilitate drug dealing and other criminal activity, may harbor vermin, attract trespassers, attract

nuisance activity, and attract criminals and may be damaged by vandals or arsonists;
and

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Part 2. Section 200-33-63.5 to 68 of the code is renumbered to 200-33-65 to 70.

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a. "Owner" means the person in whom is vested all or part of the legal title to the property or all or part of the beneficial ownership and right to present use and enjoyment of the premises.

b. "Secured" means a building that has a permanent door or window in each appropriate building opening that is secured to prevent unauthorized entry and has all its door and window components, including frames, jambs, rails, stiles, muntins, mullions, panels, sashes, lights and panes intact and unbroken.

c. "Vacant" means a building which lacks habitual presence of human beings who have a legal right to be on the premises, or at which substantially all lawful business or construction operation or residential occupancy is at a level of at least 95% vacant. An owner occupied single family home or owner occupied 2-family dwelling residential property shall not be deemed vacant if it has been used as a residence by the owner for a period of at least 3 months within the previous 9 months and the owner intends to resume residing at the property.

d. "Violation" means that an order has been issued by the department and the conditions forming the basis for the order have not been fully abated.

e. "Unsecured" means any building that does not meet the definition of secured.

3. REGISTRATION REQUIRED. a. The owner of any building that has become vacant shall within 30 days after the building becomes vacant or within 30 days after assuming ownership, whichever is later, file a registration statement and pay a registration fee as prescribed in s. 200-33-64 for each such building with the department on forms provided by the department.

b. In addition to other information, the registration statement shall include the name, street address and telephone number of a person 21 years of age or older, designated by the owner or owners as the authorized agent for receiving notices of code violations and for receiving process, in any court proceeding or administrative enforcement proceeding, on behalf of the owner or owners in connection with the enforcement of this section. This person shall reside within the 7-county area as described in s. 200-51.5-2-j.

c. The owner shall be required to renew the registration for successive 6-month periods as long as the building remains vacant and shall pay a registration renewal fee as prescribed in s. 200-33-64 for each registered building.

4. EXEMPTIONS. The following are exempt from the provisions of this section:

- a. Property owned by governmental bodies and the housing authority.
- b. Abandoned residential property pending foreclosure while subject to s. 200-22.5.
- c. Property that is vacant as a result of a natural disaster and covered by emergency response requirements issued by the commissioner.
- d. Property that is undergoing an active renovation or rehabilitation.
- e. A single family home or owner-occupied 2-family dwelling residential property that has been used as a residence by the owner for a period of at least 3 months within the previous 9 months and the owner intends to resume residing at the property.
- f. Residential condominium and rental units in buildings whose vacancy rate does not exceed 95%.
- g. Properties that are part of an estate that is in probate and are not subject to bankruptcy provided the personal representative or executor resides in the 7 county area as defined in 200-51.5-2-j.

5. OWNER RESPONSIBILITIES. The owner of any building that has become vacant shall:

- a. Enclose and secure the building as provided in sub. 6.
- b. Maintain the building in a secure and closed condition until the building is again occupied or demolished.
- c. Acquire or otherwise maintain liability insurance in an amount not less than \$300,000 for buildings designed primarily for residential use and not less than \$1,000,000 for any other building, including, but not limited to, buildings designed for manufacturing, industrial, storage or commercial uses, covering any damage to any person or any property caused by any physical condition of or in the building. Evidence of this insurance shall be available at the request of the commissioner.

6. MINIMUM REQUIREMENTS FOR VACANT BUILDINGS. After filing a registration statement the building owner shall provide access to the city to conduct an exterior and interior inspection of the building to determine compliance with this section, following reasonable notice, during the period covered by the initial registration or any subsequent renewal. In addition to any other applicable requirements, vacant buildings shall comply with the following requirements:

- a. Lot Maintenance Standards. Lot maintenance standards include the lot the building stands on and the surrounding public way and shall meet the following:
 - a-1. All grass and weeds on the premises including abutting sidewalks, gutters and alleys shall be kept below 9 inches in height and all dead or broken trees, tree limbs or shrubbery shall be cut and removed from the premises.
 - a-2. Any public sidewalk adjoining the lot shall be shoveled clear of snow so as to comply with s. 79-13.
 - a-3. Junk, rubbish, waste and any material that creates a health, safety or fire hazard, including but not limited to any mail or flyers that have been delivered to the building, shall not be permitted to accumulate on any portion of the exterior lot of the building.
 - a-4. No portion of the lot nor any structure, vehicle, receptacle or object on the premises shall be maintained or operated in any manner that causes or produces any health or safety hazard or permits the premises to become a rodent harborage or is conducive to rodent harborage.
 - a-5. The lot shall be maintained so that water does not accumulate or stand on the ground.

- a-6. All fences and gates shall be maintained in sound condition and in good repair.
- b. Exterior Maintenance Standards. The exterior of the building shall be enclosed, secured and maintained to meet the following:
- b-1. Foundations, basements, cellars and crawlspaces shall be maintained in sound and watertight condition adequate to support the building and protected against the entry of rodents or other animals.
- b-2. Exterior walls shall be free of holes, breaks, loose or rotting boards or timbers, and any other conditions which might admit rain or dampness to the interior portions of the walls or the interior spaces and shall be protected against the entry of rodents or other animals.
- b-3. Exterior windows and doors shall be maintained in sound condition and good repair and prevent rain from entering the building, or the opening shall be secured in accordance with s. 275-32-7. The windows and doors shall be equipped with hardware for locking and the locking mechanism shall be maintained in properly functioning condition. All points of possible ingress and egress shall be secured to prevent unauthorized entry.
- b-4. The roof shall be adequately supported and maintained in weathertight condition; the gutters, downspouts, scuppers and appropriate flashing shall be in good repair and adequate to remove the water from the building.
- b-5. Chimneys and flues shall be kept in sound, functional, weathertight condition and in good repair.
- b-6. Every outside stair or step shall be maintained in sound condition and in good repair; every porch, stoop, deck, veranda, balcony and walk shall be maintained in sound condition for its purpose.
- c. Interior Maintenance Standards. The interior of any building shall be maintained in accordance with the following:
- c-1. It is prohibited to accumulate or permit the accumulation of junk, trash, debris, boxes, lumber, scrap metal or any other materials that may produce any health, fire or safety hazard, or provide harborage for rodents or other animals.
- c-2. Every foundation, roof, floor, wall, stair, ceiling or other structural support shall be safe and capable of supporting the loads associated with normal usage and shall be kept in sound condition and repair.
- c-3. Any plumbing fixtures shall be maintained with no leaking pipes, and all pipes for water shall either be completely drained or heated to resist being frozen.
- c-4. Every exit door shall be secured with an internal deadbolt lock, or with a locking mechanism deemed equivalent or better by the department, and every exit door shall be capable of being opened from the inside easily and without the use of a key or special knowledge.
- c-5. Interior stairs shall have treads and risers that have uniform dimensions, are sound, securely fastened and have no rotting, loose or deteriorating supports.
- c-6. Every owner shall be responsible for the extermination of insects, rodents and other vermin in or about the premises.
- d. Building Security Standards. The following apply to the securing of vacant buildings:
- d-1. All building openings shall be closed and secured, using methods and materials so as to comply with the requirements of s. 275-32-7.

d-2. If a building has been vacant for 6 months or longer, or upon any renewal of the registration statement, the building owner shall implement and provide proof satisfactory to the department that in addition to complying with the security standards in subd. 1, it is secured. If the building fails to be secured as determined by the commissioner or the commissioner's designee, then the building shall be boarded in accordance with s. 275-32-7.

d-3. If the owner has provided proof that a building is secured and based on an inspection by the department the building is found to be in violation, the commissioner shall send by first class mail a written notice of the violation to the person responsible for day-to-day supervision and management of the building or to the authorized agent for service of process or to the owner of record. Within 30 days of the mailing of the notice of violation, the owner shall be required to either comply with subd. 2 or restore the building to a secured state and also install and maintain a working alarm system. The alarm system shall connect to all areas of the building subject to unauthorized human entry, including but not limited to, all exterior doors, windows or other readily accessible openings. The alarm system shall, upon detecting unauthorized entry, send an automatic signal to a licensed alarm business that has 24-hour live operators who will monitor the system and contact the building owner or designated agent.

7. ISSUANCE OF MODIFICATIONS. Upon written application by an owner or an owner's agent, the commissioner may approve a modification of any provision of this section, including the requirement for inspections and fees, provided the spirit and functional intent of the section will be observed and the public health, welfare and safety will be assured. The decision of the commissioner concerning a modification shall be made in writing and the application for a modification and the decision of the commissioner concerning such modification shall be retained in the permanent records of the department.

8. RULES AND REGULATIONS. The commissioner may issue rules and regulations for the administration of this section. These rules may specify additional board-up materials which may be used when securing a building, if proof is provided satisfactory to the commissioner that the materials will perform in a manner equivalent to, or better than, the materials specified in this section.

9. PENALTY. Any owner failing to comply with any provisions of this section shall be subject to the penalties provided in s. 200-19.

Part 5. Section 275-32-7-a-0,3,5 and 7 of the code is amended to read:

275-32. Exterior Structure.

7. VACANT STRUCTURES; BOARDING. a. Owners shall have the responsibility for maintaining all vacant dwelling units, dwellings, structures, principal buildings and accessory buildings in a locked or closed condition so that they cannot be entered without an unlawful break-in. >>The owner of any building that has become vacant shall within 30 days after the building becomes vacant or within 30 days after assuming ownership, whichever is later, file a registration statement pursuant to s. 200-51.7-3.<<The commissioner may, to assure compliance with this subsection, order an owner to board a structure.

a-3. Boards shall be cut to fit door and window openings, and >>square head or star drive<< screws at least ~~[[1-1/2]]~~ >>3<< inches in length >>with washers<< shall be used to fasten boards to a structure.

a-5. Boards shall be >>a minimum of 5/8" thick and be<< painted to match the trim or siding color of the structure, or be painted forest green.

a-7. The owner of a structure boarded under subd. 1 shall be required, upon notification, to provide entry to the structure to the commissioner at least once every ~~[[12]]~~ >>6<< months, for inspection purposes >>as specified in s. 200-57.7<<, or at anytime when the structure has been unlawfully entered.

Part 6. This ordinance shall be effective January 1, 2010.

..LRB
APPROVED AS TO FORM

Legislative Reference Bureau

Date:_____

..Attorney

IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney

Date:_____

..Requestor

Department of Neighborhood Services

..Drafter

MET

10/21/09

LRB09299-4

CITY OF MILWAUKEE FISCAL NOTE

A) DATE October 16, 2009FILE NUMBER: 090428Original Fiscal Note ☒ Substitute ☐SUBJECT: A substitute ordinance relating to vacant building registration and requirements.B) SUBMITTED BY (Name/title/dept./ext.): Eric Pearson, Budget & Policy Manager, Dept. of Administration, x8554

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:	Code Enforcement Inspector II (4 positions)	006000	\$156,376		
	Office Assistant III (1 position)	006000	\$33,355		
	Fringe Benefits	006100	\$77,790		
SUPPLIES:	Various supplies, materials, services	006300	\$19,010		
MATERIALS:					
NEW EQUIPMENT:	Computers & equipment for 4 inspector staff	006800	\$17,200		
EQUIPMENT REPAIR:					
OTHER:					
TOTALS			\$303,731	\$325,000	\$21,269

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 checked="" type="checkbox"/> 3-5 YEARS	Program expenditures will occur annually
<input type="checkbox"/> 1-3 YEARS	<input checked="" type="checkbox"/> 3-5 YEARS	Program revenues will occur annually
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE ☐

NOTICES SENT TO FOR FILE : 090428

[illegible]



Legislation Details (With Text)

File #: 090429 **Version:** 1

Type: Ordinance **Status:** In Committee

File created: 7/28/2009 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: A substitute ordinance establishing a residential rental certificate in a designated residential area.

Sponsors: ALD. KOVAC, ALD. DAVIS, ALD. HINES JR.

Indexes: BUILDING CODE, BUILDING INSPECTION, HOUSING

Attachments: Cover Letter, Proposed Sub A, E-mails in Support of the Ordinance, Fiscal Note, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
7/28/2009	0	COMMON COUNCIL	ASSIGNED TO		
10/13/2009	1	CITY CLERK	DRAFT SUBMITTED		
10/13/2009	1	CITY CLERK	Sponsor added		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	CITY CLERK	Sponsor removed		
10/23/2009	1	CITY CLERK	Sponsor added		

Number

090429

Version

SUBSTITUTE 1

Reference

Sponsor

ALD. KOVAC, DAVIS and WADE

Title

A substitute ordinance establishing a residential rental certificate in a designated residential area.

Sections

200-19-2 am

200-33-49.5 cr

200-53 cr

Analysis

This ordinance requires owners of rental properties in a designated residential area to apply for a residential rental certificate from the department of neighborhood services. A certificate is required for each rental unit in order for it to be rented. Following application an inspection is done by the department of neighborhood services to insure that each rental unit complies with the building maintenance and zoning codes. The cost of inspection is \$85 for each unit. The department shall issue a residential rental certificate only if after inspection it has found that the unit's observable conditions conform to the building maintenance and zoning codes and that there are no outstanding orders issued against the unit. The certificate shall be valid for 4 years from the date of issuance if no disqualifying violations are found at the initial inspection. The certificate shall be valid for one year after the date of issuance if disqualifying violations are found at the initial inspection. An owner failing to apply for a residential rental certificate of compliance shall be subject to a forfeiture of \$100 for the first failure to apply. The owner shall be subject to a forfeiture of \$150 for each subsequent failure to respond to a notice sent by the department to apply.

Body

Whereas, The residential units in the area bounded by Edgewood Ave. to Newberry Blvd., Cambridge Ave. to Hackett Ave. are on average 94.7 years old while the City average is 71.3 years old; and

Whereas, The residential buildings in this area that are rental are 42.7% of the total residential buildings as compared to 26.9% citywide; and

Whereas, The residential units in this area are 62.9% rental as compared to 47.8% citywide; and

Whereas, 81.4% of code and nuisance complaints in this area occur at rental properties while the city average is 63%; and

Whereas, 83% of campus fire deaths occur in off campus housing and fire safety education and related inspection programs are known to reduce the number and severity of fires in residential occupancies; now, therefore

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 200-19-2 of the code is amended to read:

200-19. Penalties.

2. In addition to other applicable enforcement procedures and pursuant to the authority of s. 66.0113, Wis. Stats., the department may issue citations pursuant to the citation procedure set forth in s. 50-25 to any person violating any provision of ss. 200-11, 200-20-2, 200-21.5, 200-22-5, 200-24, 200-42, >>200-53,<< 200-61, ch. 207, ch. 214, ss. 218-2, 218-6, 218-9-6, 222-11-2, 222-13-1, 222-19-1, ch. 223, ss. 225-2-1, 225-3-4, 225-3-5-a, ch. 236, ch. 240, s. 244-3, ch. 246, s. 252-1, ch. 261, ch. 275, ch. 289, ch. 290, ch. 295 or s. 308-81-9.

Part 2. Section 200-33-49.5 of the code is created to read:

200-33. Fees.

49.5. RESIDENTIAL RENTAL CERTIFICATE. a. The inspection fee associated with a residential rental certificate shall be \$85 for each rental unit in a building. The certificate shall be valid for 4 years from the date of issuance if no disqualifying violations are found at the initial inspection. The certificate shall be valid for one year from the date of issuance if disqualifying violations are found at the initial inspection. The certificate may be given temporary status if nonhazardous code violations are found at the initial inspection.

b. There shall be no additional fee imposed when a temporary status is removed and a regular residential rental certificate is issued.

c. The fee for renewal of a residential rental certificate shall be \$85 for each rental unit in a building.

d. A fee of \$50 shall be imposed if the department is unable to gain access to the unit for the inspection pursuant to sub. par. a at the agreed upon time.

e. Residential rental inspection fees shall be charged against the real estate and shall be assessed and collected as a special charge.

(See s. 200-53.)

Part 3. Section 200-53 of the code is created to read:

200-53. Residential Rental Certificate.

1. PURPOSE. Pursuant to s. 62.11 (5), Wis. Stats., and s. 4-10 of the Milwaukee city charter, the common council is responsible for the management and control of city property, acting for the good order of the city and the health, safety and welfare of the public. The common council has determined that there is a need to enact legislation requiring residential rental certificates to protect the public because residential rental dwelling units in the area bounded by Edgewood Ave. to Newberry Blvd., Cambridge Ave. to Hackett Ave. are in need of inspection to prevent deterioration, taking into account the density of rental units, age of buildings, percentage of complaints occurring at rental units, and condition of the units in the area. Frequent inspection of these units is necessary to maintain safe, decent and sanitary living conditions for residents living in the rental units due to high tenant turnover in the area.

2. DEFINITIONS. In this section:

- a. "Building maintenance code" means that portion of the building code which establishes the minimum requirements and standards of health, sanitation, safety and occupancy for residential property. These regulations governing the condition and maintenance of residential property, and the responsibility of property owners are set forth in ss. 275-32 to 275-82.
- b. "Conditions which affect safe, decent and sanitary living conditions of persons occupying a residential rental unit" include items that violate fire safety; lack of or poor condition of sanitary facilities; absence of adequate heating systems or equipment; items which affect the safe operation of electrical and mechanical systems; items which affect structural integrity of the building or the ability of the building envelope to keep out the weather; or one or more conditions that if not

corrected would be reasonably expected to become conditions that affect the safe, decent and sanitary conditions of the occupants.

c. "Disqualifying violation" means conditions which affect safe, decent and sanitary living conditions of persons occupying a residential rental unit, or other conditions that violate the provisions of the building code, building maintenance code or zoning code that indicate in their totality that the rental unit is not being properly maintained.

d. "Designated residential area" means the area bounded by the following streets: Edgewood Ave. to Newberry Blvd., Cambridge Ave. to Hackett Ave.

e. "Dwelling" means a building which includes one or more distinct living units. It does not include a residential 2-family building in which one of the units is owner-occupied.

f. "Owner" means the person in whom is vested all or part of the legal title to the property or all or part of the beneficial ownership and right to present use and enjoyment of the premises.

g. "Residential rental certificate" means a written and signed statement prepared by the commissioner after an inspection has been made, that the condition of a dwelling is in compliance with the building maintenance and zoning code.

h. "Person" includes an individual, a partnership, a domestic or foreign limited liability company, a trust, an estate, an association, a corporation or any other legal or commercial entity.

i. "Sale, transfer or conveyance of ownership" means to transfer any ownership interest in a dwelling except by mortgage, gift, devise or bequest. The sale or transfer shall be deemed to occur upon the transfer of an ownership interest, the execution of a land contract or the exercise of an option to purchase property.

j. "Time of sale, transfer or conveyance" means the time when a written purchase agreement is executed by the buyer; in the absence of a purchase agreement, it shall mean the time prior to the execution of any document providing for the transfer or conveyance of a dwelling in the designated residential area.

k. "Unit" means any independently rented living space whose term of lease is 30 days or greater.

L. "Zoning code" means any requirements and standards set forth in ch. 295.

3. RESIDENTIAL RENTAL CERTIFICATE REQUIRED. a. Persons with an ownership interest in a dwelling within the designated residential area shall apply for a residential rental certificate for each unit in order to rent the unit. Unless a unit has a valid residential rental certificate or temporary residential rental certificate, no owner of the unit shall permit any person to occupy the unit as a tenant or otherwise. A residential 2-family building that is owner-occupied is exempt from this requirement.

b. Persons acquiring an ownership interest as the result of a sale, transfer or conveyance of a dwelling within the designated residential area shall within 30 days of sale, transfer or conveyance, apply for a residential rental certificate, subject to the provisions of sub. 6-e.

c. Any person selling, transferring or conveying an ownership interest in a dwelling shall expressly inform any person acquiring or receiving an ownership interest in a property that a residential rental certificate is required by the city.

4. APPLICATION.

a. An application for a certificate shall be filed with the department on forms provided by the department. The application shall be signed by the owner, and shall state the street address of the dwelling to be inspected, the owner's legal name, the owner's phone number and date of birth. The application for inspection shall be accompanied by the payment in full of the fee required in s. 200-33-49.5.

b. Failure to apply for the residential rental certificate as required in sub. 3-b may subject the owner to the penalties specified in sub. 13-a.

5. INSPECTION.

a. Upon application and the payment of the required fee, the department shall inspect the condition

of the dwelling for compliance with the building maintenance and zoning code. The department shall make the inspection within 60 days of the date of application unless another date is mutually agreed upon by the department and the owner. The owner shall inform the tenant of the unit and place a posting on the door of the unit stating the date and time of the inspection at least 2 days prior to the inspection.

b. An owner is not exempt from complying with all other applicable laws, standards and regulations pertaining to the condition and use of buildings and structures including the authority of the commissioner to perform housing inspections in accordance with applicable law.

6. ISSUANCE OF CERTIFICATES. a. The department shall issue a residential rental certificate only after it has inspected the dwelling or unit and found that its observable conditions conform to the building maintenance and zoning codes and that there are no outstanding orders against it. The certificate shall be valid for 4 years from the date of issuance if the inspection discovered no disqualifying violations.

b. If upon inspection of the dwelling or unit the department finds one or more disqualifying violations, then the department shall issue a one-year residential rental certificate only once all observable conditions conform with the building maintenance and zoning codes.

c. The commissioner may issue a temporary certificate if, in the commissioner's opinion, the outstanding violations do not constitute a hazard to the occupants of the dwelling or unit and if a work plan to correct the violations is submitted and approved by the commissioner. The temporary certificate shall be valid for 30 days and the commissioner may grant an extension if a revised work plan to correct the violations is submitted and approved by the commissioner. Failure to abate violations discovered resulting from inspection associated with the application for the certificate shall invalidate the temporary certificate, and no owner of the dwelling or unit shall permit any person to occupy the dwelling or unit as a tenant or otherwise.

d. If after issuance of a 4-year certificate the department subsequently finds that the dwelling or unit is found in violation of the building maintenance or zoning codes, the department may revoke the 4-year certificate and in lieu thereof issue a one-year certificate. The dwelling or unit shall again be eligible for a 4-year certificate only upon the expiration of the annual certificate, and as of the first subsequent annual inspection, no disqualifying violations are found. The commissioner may also revoke either a 4-year or one-year certificate if he or she determines that violations are of a critical nature that constitute an unsafe or unfit condition.

e. In the event of a sale, transfer or conveyance of a property within 3 months of the initial issuance of the certificate, the certificate may be transferred to the new owner until the end of a certificate valid for one year, or one year from the date of issuance of the certificate in the case of a 4-year certificate, provided the new owner submits an application as required by sub. 4. No inspection shall be required pursuant to this paragraph.

7. VIOLATIONS IDENTIFIED.

a. Any building maintenance and zoning code violations identified in the initial inspection for a residential rental certificate shall be abated within a reasonable amount of time to be determined by the department.

b. Any violations identified after a residential rental certificate has been issued shall be abated within a reasonable amount of time to be determined by the department and subject to the provisions of the code.

8. ENFORCEMENT. a. Should the department upon inspection determine that there are conditions which constitute an imminent danger to health and safety pursuant to chs. 275 and 295, it shall order the condition to be remedied and may limit or prohibit occupancy where appropriate.

b. The department shall reinspect the premises as necessary to determine that the recorded code violations have been satisfactorily corrected. A reinspection fee may be charged in accordance with s. 200-33-48.

- 9. ADMINISTRATIVE REVIEW AND APPEALS.** a. The owner may request review of decisions regarding violations or regulations imposed by the department. The request shall be made in writing on forms provided by the department and shall specify the grounds for administrative review. The request for administrative review shall be filed within 10 days of the issuance of the order.
- b. The administrative review hearing shall occur within 10 days after receipt of the request.
- c. The commissioner, or the person appointed as the commissioner's designee, shall conduct the administrative review hearing. At the hearing, owner and staff shall present all relevant information to the case.
- d. Within 7 days of completion of the hearing conducted under this subsection, the commissioner shall mail or deliver to the owner his or her written determination stating the reasons therefore.
- e. If an owner is not satisfied by the decision reached by the commissioner, he or she may make further appeal to the standards and appeal commission pursuant to s. 200-17.
- 10. REVOCATION.** A certificate of residential rental code compliance may be revoked at the discretion of the commissioner if violations which are considered to be an unfit or unsafe condition pursuant to sub. 7-a are observed during a complaint investigation.
- 11. RULES AND REGULATIONS.** The commissioner may issue rules and regulations for the administration of this section.
- 12. REMEDIES; OTHER PROVISIONS.** a. The remedies provided in this section are not to be construed to be exclusive of any other remedy under this code, and the department may take further actions to ensure compliance with this section including, but not limited to, seeking injunctive relief and obtaining inspection warrants.
- b. Nothing in this section shall be construed to limit the authority of the department to perform housing inspections in accordance with this code.
- c. Nothing in this section shall limit the department from enforcing any other provision of the code or any state or federal law under its jurisdiction.
- d. Nothing in this section shall be construed to relieve or exempt any person from complying with all applicable laws, this code, and standards and regulations relating to the condition and use of buildings and structures.
- e. Nothing in this section shall limit, impair, alter or extend the rights and remedies of persons in the relationship of landlord and tenant that exist under applicable law.
- 13. PENALTY.** a. An owner failing to apply for a residential rental certificate of compliance shall be subject to a forfeiture of \$100 for the first failure to apply. The owner shall be subject to a forfeiture of \$150 for failure to respond to each subsequent notice to apply which shall be sent by the department.
- b. An owner failing to comply with any other provisions of this section shall be subject to the penalties provided in s. 200-19.

Part 4. Within 4 ½ years of the effective date of this ordinance [city clerk to insert date] the commissioner of neighborhood services shall evaluate the results and effectiveness of the pilot program and report to the common council these results and potential improvements to be made. The authorization of this pilot program shall expire 5 years from the effective date of the ordinance [city clerk to insert date] unless reauthorized by the common council. No additional inspection areas shall be added within the period of the pilot program.

Part 5. This ordinance shall be effective **DATE TO BE DETERMINED**. Owners of dwellings subject to this ordinance shall apply for a residential rental certificate no later than

LRB

APPROVED AS TO FORM

Legislative Reference Bureau

Date: _____

Attorney

IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney

Date: _____

Requestor

Department of Neighborhood Services

Drafter

MET

10/9/09

LRB09315-3

..Number

090429

..Version

PROPOSED SUBSTITUTE A

..Reference

..Sponsor

ALD. KOVAC, DAVIS and HINES

..Title

A substitute ordinance establishing a residential rental certificate in a designated residential area.

..Sections

200-19-2 am

200-33-49.5 cr

200-53 cr

..Analysis

This ordinance requires owners of rental properties in designated residential areas to apply for a residential rental certificate from the department of neighborhood services. A certificate is required for each rental unit in order for it to be rented. Following application an inspection is done by the department of neighborhood services to insure that each rental unit complies with the building maintenance and zoning codes. The cost of inspection is \$85 for each unit. The department shall issue a residential rental certificate only if after inspection it has found that the unit's observable conditions conform to the building maintenance and zoning codes and that there are no outstanding orders issued against the unit. The certificate shall be valid for 4 years from the date of issuance if no disqualifying violations are found at the initial inspection. The certificate shall be valid for one year after the date of issuance if disqualifying violations are found at the initial inspection. An owner failing to apply for a residential rental certificate of compliance shall be subject to a forfeiture of \$100 for the first failure to apply. The owner shall be subject to a forfeiture of \$150 for each subsequent failure to respond to a notice sent by the department to apply.

Within 4 ½ years of the effective date of this ordinance the commissioner of neighborhood services shall evaluate the results and effectiveness of the pilot program and report to the common council these results and potential improvements to be made. The authorization of this pilot program shall expire 5 years from the effective date of the ordinance unless reauthorized by the common council. No additional inspection areas shall be added within the period of the pilot program.

..Body

Whereas, The residential units in the area consisting of census tracts 99-102, 117-120 and the western portion of census tracts 103 and 116, with the eastern boundary defined by interstate I-43, are on average 82.7 years old while the city average is 71.3 years old; and

Whereas, The residential buildings in this area that are rental are 47.5 % of the total residential buildings as compared to 26.9% citywide; and

Whereas, The residential units in this area are 56.8% rental compared to 47.8% citywide; and

Whereas, 72.4% of code and nuisance complaints in this area occur at rental properties while the city average is 63%; and

Whereas, The city has invested significant money into public improvements and incentives for private owners in this area, and this investment is negatively affected by conditions of rental housing and fire safety and housing inspection programs are known to stabilize conditions in rental housing; and

Whereas, Also the residential units in the area bounded by Edgewood Ave. to Newberry Blvd. and Cambridge Ave. to Hackett Ave. in the vicinity of the University of Wisconsin – Milwaukee are on average 94.7 years old while the city average is 71.3 years old; and

Whereas, The residential buildings in this area that are rental are 42.7% of the total residential buildings as compared to 26.9% citywide; and

Whereas, The residential units in this area are 62.9% rental as compared to 47.8% citywide; and

Whereas, 81.4% of code and nuisance complaints in this area occur at rental properties while the city average is 63%; and

Whereas, 83% of campus fire deaths occur in off campus housing and fire safety education and related inspection programs are known to reduce the number and severity of fires in residential occupancies; now, therefore

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 200-19-2 of the code is amended to read:

200-19. Penalties.

2. In addition to other applicable enforcement procedures and pursuant to the authority of s. 66.0113, Wis. Stats., the department may issue citations pursuant to the citation procedure set forth in s. 50-25 to any person violating any provision of ss. 200-11, 200-20-2, 200-21.5, 200-22-5, 200-24, 200-42, >>200-53,<< 200-61, ch. 207, ch. 214, ss. 218-2, 218-6, 218-9-6, 222-11-2, 222-13-1, 222-19-1, ch. 223, ss. 225-2-1, 225-3-4, 225-3-5-a, ch. 236, ch. 240, s. 244-3, ch. 246, s. 252-1, ch. 261, ch. 275, ch. 289, ch. 290, ch. 295 or s. 308-81-9.

Part 2. Section 200-33-49.5 of the code is created to read:

200-33. Fees.

49.5. RESIDENTIAL RENTAL CERTIFICATE. a. The inspection fee associated with a residential rental certificate shall be \$85 for each rental unit in a building. The certificate

shall be valid for 4 years from the date of issuance if no disqualifying violations are found at the initial inspection. The certificate shall be valid for one year from the date of issuance if disqualifying violations are found at the initial inspection. The certificate may be given temporary status if nonhazardous code violations are found at the initial inspection.

b. There shall be no additional fee imposed when a temporary status is removed and a regular residential rental certificate is issued.

c. The inspection fee for renewal of a residential rental certificate shall be \$85 for each rental unit in a building.

d. A fee of \$50 shall be imposed if the department is unable to gain access to the unit for the inspection pursuant to sub. par. a at the agreed upon time.

e. Delinquent residential rental inspection fees shall be charged against the real estate and shall be assessed and collected as a special charge.

(See s. 200-53.)

Part 3. Section 200-53 of the code is created to read:

200-53. Residential Rental Certificate.

1. PURPOSE. Pursuant to s. 62.11 (5), Wis. Stats., and s. 4-10 of the Milwaukee city charter, the common council is responsible for the management and control of city property, acting for the good order of the city and the health, safety and welfare of the public. The common council has determined that there is a need to enact legislation requiring residential rental certificates to protect the public because residential rental dwelling units in the areas defined by census tracts 99-102, 117-120 and the western portion of census tracts 103 and 116, with the eastern boundary defined by interstate I-43; and those bounded by Edgewood Ave. to Newberry Blvd. and Cambridge Ave. to Hackett Ave. are in need of inspection to prevent deterioration, taking into account the density of rental units, age of buildings, percentage of complaints occurring at rental units, and condition of the units in the area. Frequent inspection of these units is necessary to maintain safe, decent and sanitary living conditions for residents living in the rental units and to protect the investment made by the city in the area defined by census tracts 99-102, 117-120 and the western portion of census tracts 103 and 116, with the eastern boundary defined by interstate I-43, and due to high tenant turnover in the area bounded by Edgewood Ave. to Newberry Blvd. and Cambridge Ave. to Hackett Ave.

2. DEFINITIONS. In this section:

a. "Building maintenance code" means that portion of the building code which establishes the minimum requirements and standards of health, sanitation, safety and occupancy for residential property. These regulations governing the condition and maintenance of residential property, and the responsibility of property owners are set forth in ss. 275-32 to 275-82.

b. "Conditions which affect safe, decent and sanitary living conditions of persons occupying a residential rental unit" include items that violate fire safety; lack of or poor condition of sanitary facilities; absence of adequate heating systems or equipment; items which affect the safe operation of electrical and mechanical systems; items which affect structural integrity of the building or the ability of the building envelope to keep out

the weather; or one or more conditions that if not corrected would be reasonably expected to become conditions that affect the safe, decent and sanitary conditions of the occupants.

c. "Disqualifying violation" means conditions which affect safe, decent and sanitary living conditions of persons occupying a residential rental unit, or other conditions that violate the provisions of the building code, building maintenance code or zoning code that indicate in their totality that the rental unit is not being properly maintained.

d. "Designated residential area" means:

1. The area defined as inspection district 1 which consists of census tracts 99-102, 117-120 and the western portion of census tracts 103 and 116 with the eastern boundary defined by interstate I-43.

2. The area defined as inspection district 2 which is the area bounded by the following streets: Edgewood Ave. to Newberry Blvd. and Cambridge Ave. to Hackett Ave.

e. "Dwelling" means a building which includes one or more distinct living units. It does not include a residential 2-family building in which one of the units is owner-occupied.

f. "Owner" means the person in whom is vested all or part of the legal title to the property or all or part of the beneficial ownership and right to present use and enjoyment of the premises.

g. "Residential rental certificate" means a written and signed statement prepared by the commissioner after an inspection has been made, that the condition of a dwelling is in compliance with the building maintenance and zoning code.

h. "Person" includes an individual, a partnership, a domestic or foreign limited liability company, a trust, an estate, an association, a corporation or any other legal or commercial entity.

i. "Sale, transfer or conveyance of ownership" means to transfer any ownership interest in a dwelling except by mortgage, gift, devise or bequest. The sale or transfer shall be deemed to occur upon the transfer of an ownership interest, the execution of a land contract or the exercise of an option to purchase property.

j. "Time of sale, transfer or conveyance" means the time when a written purchase agreement is executed by the buyer; in the absence of a purchase agreement, it shall mean the time prior to the execution of any document providing for the transfer or conveyance of a dwelling in the designated residential area.

k. "Unit" means any independently rented living space whose term of lease is 30 days or greater.

L. "Zoning code" means any requirements and standards set forth in ch. 295.

3. RESIDENTIAL RENTAL CERTIFICATE REQUIRED. a. Persons with an ownership interest in a dwelling within the designated residential area shall apply for a residential rental certificate for each unit in order to rent the unit. Unless a unit has a valid residential rental certificate or temporary residential rental certificate, no owner of the unit shall permit any person to occupy the unit as a tenant or otherwise. A residential 2-family building that is owner-occupied is exempt from this requirement.

b. Persons acquiring an ownership interest as the result of a sale, transfer or conveyance of a dwelling within the designated residential area shall within 30 days of sale, transfer or conveyance, apply for a residential rental certificate, subject to the provisions of sub. 6-e.

c. Any person selling, transferring or conveying an ownership interest in a dwelling shall expressly inform any person acquiring or receiving an ownership interest in a property that a residential rental certificate is required by the city.

4. APPLICATION.

a. An application for a certificate shall be filed with the department on forms provided by the department. The application shall be signed by the owner, and shall state the street address of the dwelling to be inspected, the owner's legal name, the owner's phone number and date of birth.

b. Failure to apply for the residential rental certificate as required in sub. 3-b may subject the owner to the penalties specified in sub. 13-a.

5. INSPECTION.

a. Upon application, the department shall inspect the condition of the dwelling for compliance with the building maintenance and zoning code. The department shall make the inspection within 60 days of the date of application unless another date is mutually agreed upon by the department and the owner. The owner shall inform the tenant of the unit and place a posting on the door of the unit stating the date and time of the inspection at least 2 days prior to the inspection.

b. An owner is not exempt from complying with all other applicable laws, standards and regulations pertaining to the condition and use of buildings and structures including the authority of the commissioner to perform housing inspections in accordance with applicable law.

6. ISSUANCE OF CERTIFICATES. a. The department shall issue a residential rental certificate only after it has inspected the dwelling or unit and found that its observable conditions conform to the building maintenance and zoning codes and that there are no outstanding orders against it. The certificate shall be valid for 4 years from the date of issuance if the inspection discovered no disqualifying violations.

b. If upon inspection of the dwelling or unit the department finds one or more disqualifying violations, then the department shall issue a one-year residential rental certificate only once all observable conditions conform with the building maintenance and zoning codes.

c. The commissioner may issue a temporary certificate if, in the commissioner's opinion, the outstanding violations do not constitute a hazard to the occupants of the dwelling or unit and if a work plan to correct the violations is submitted and approved by the commissioner. The temporary certificate shall be valid for 30 days and the commissioner may grant an extension if a revised work plan to correct the violations is submitted and approved by the commissioner. Failure to abate violations discovered resulting from inspection associated with the application for the certificate shall invalidate the temporary certificate, and no owner of the dwelling or unit shall permit any person to occupy the dwelling or unit as a tenant or otherwise.

d. If after issuance of a 4-year certificate the department subsequently finds that the dwelling or unit is found in violation of the building maintenance or zoning codes, the department may revoke the 4-year certificate and in lieu thereof issue a one-year certificate. The dwelling or unit shall again be eligible for a 4-year certificate only upon the expiration of the annual certificate, and as of the first subsequent annual inspection, no disqualifying violations are found. The commissioner may also revoke either a 4-

year or one-year certificate if he or she determines that violations are of a critical nature that constitute an unsafe or unfit condition.

e. In the event of a sale, transfer or conveyance of a property within 3 months of the initial issuance of the certificate, the certificate may be transferred to the new owner until the end of a certificate valid for one year, or one year from the date of issuance of the certificate in the case of a 4-year certificate, provided the new owner submits an application as required by sub. 4. No inspection shall be required pursuant to this paragraph.

7. VIOLATIONS IDENTIFIED.

a. Any building maintenance and zoning code violations identified in the initial inspection for a residential rental certificate shall be abated within a reasonable amount of time to be determined by the department.

b. Any violations identified after a residential rental certificate has been issued shall be abated within a reasonable amount of time to be determined by the department and subject to the provisions of the code.

8. ENFORCEMENT. a. Should the department upon inspection determine that there are conditions which constitute an imminent danger to health and safety pursuant to chs. 275 and 295, it shall order the condition to be remedied and may limit or prohibit occupancy where appropriate.

b. The department shall reinspect the premises as necessary to determine that the recorded code violations have been satisfactorily corrected. A reinspection fee may be charged in accordance with s. 200-33-48.

9. DEPARTMENTAL REVIEW AND APPEALS. a. The owner may request review of decisions regarding violations or regulations imposed by the department. The request shall be made in writing on forms provided by the department and shall specify the grounds for administrative review. The request for administrative review shall be filed within 10 days of the issuance of the order.

b. The administrative review hearing shall occur within 10 days after receipt of the request.

c. The commissioner, or the person appointed as the commissioner's designee, shall conduct the administrative review hearing. At the hearing, owner and staff shall present all relevant information to the case.

d. Within 7 days of completion of the hearing conducted under this subsection, the commissioner shall mail or deliver to the owner his or her written determination stating the reasons therefore.

e. If an owner is not satisfied by the decision reached by the commissioner, he or she may make further appeal to the standards and appeal commission pursuant to s. 200-17.

10. REVOCATION. A certificate of residential rental code compliance may be revoked at the discretion of the commissioner if violations which are considered to be an unfit or unsafe condition pursuant to sub. 7-a are observed during a complaint investigation.

11. RULES AND REGULATIONS. The commissioner may issue rules and regulations for the administration of this section.

12. REMEDIES; OTHER PROVISIONS. a. The remedies provided in this section are not to be construed to be exclusive of any other remedy under this code, and the

department may take further actions to ensure compliance with this section including, but not limited to, seeking injunctive relief and obtaining inspection warrants.

b. Nothing in this section shall be construed to limit the authority of the department to perform housing inspections in accordance with this code.

c. Nothing in this section shall limit the department from enforcing any other provision of the code or any state or federal law under its jurisdiction.

d. Nothing in this section shall be construed to relieve or exempt any person from complying with all applicable laws, this code, and standards and regulations relating to the condition and use of buildings and structures.

e. Nothing in this section shall limit, impair, alter or extend the rights and remedies of persons in the relationship of landlord and tenant that exist under applicable law.

13. PENALTY. a. An owner failing to apply for a residential rental certificate of compliance shall be subject to a forfeiture of \$100 for the first failure to apply. The owner shall be subject to a forfeiture of \$150 for failure to respond to each subsequent notice to apply which shall be sent by the department.

b. An owner failing to comply with any other provisions of this section shall be subject to the penalties provided in s. 200-19.

Part 4. Within 4 ½ years of the effective date of this ordinance [city clerk to insert date] the commissioner of neighborhood services shall evaluate the results and effectiveness of the pilot program and report to the common council these results and potential improvements to be made. The authorization of this pilot program shall expire 5 years from the effective date of the ordinance [city clerk to insert date] unless reauthorized by the common council. No additional inspection areas shall be added within the period of the pilot program.

Part 5. This ordinance shall be effective January 1, 2010.

..LRB

APPROVED AS TO FORM

Legislative Reference Bureau

Date:_____

..Attorney

IT IS OUR OPINION THAT THE ORDINANCE
IS LEGAL AND ENFORCEABLE

Office of the City Attorney

Date:_____

..Requestor

Department of Neighborhood Services

..Drafter

MET
10/21/09
LRB09315-5

Black, Tobie

From: Horn, Sarah
Sent: Thursday, October 22, 2009 9:08 AM
To: Black, Tobie
Subject: FW: important new local landlord-tenant ordinance

Hi Tobie,
Here is the first of several emails regarding file #090429 that will go in front of ZND next week.
Please add them to the record.
Thanks!
Sarah

From: Richard Withers [mailto:richard.withers@att.net]
Sent: Wednesday, October 21, 2009 5:25 PM
To: rosenm@local212.org
Cc: Kovac, Nik; Horn, Sarah; Fred Stoltz
Subject: Fw: important new local landlord-tenant ordinance

----- Forwarded Message -----

From: Richard Withers <richard.withers@att.net>
To: UU Social Justice <fusmscc@yahogroups.com>
Sent: Wednesday, October 21, 2009 5:19:24 PM
Subject: important new local landlord-tenant ordinance

Dear Good People,

A proposal will be heard in Milwaukee Common Council committee next week that would create a rental unit certification process in 2 pilot areas of the City. It is needed to assure decent housing for students in the UWM area and to bring units up to code standards holding landlords accountable.

The proposed process (see the article below) could provide a model for the rest of the City helping to assure safe and decent housing for tenants.

As noted in the article, however, many vested interests are fighting the proposal. Those of us in Nik Kovac's east-side aldermanic district are therefore hoping that residents across the city will contact their own Council Members to support the proposal. You can connect by phone to 286-CITY or go to the milwaukee.gov web site to connect by e-mail. It will only take a few calls from constituents in each District to make a difference.

Common Council sponsors are Nik Kovac, Joe Davis, Willie Wade and Bob Donovan. They should be thanked!

If you send a message, please let me know off of the Social Justice list at richard.withers@att.net.

Thanks for all you do!

Dick Withers

Apartment inspection proposal draws fire

By Tom Daykin of the Journal Sentinel

Oct. 20, 2009 A proposed Milwaukee ordinance that requires apartment buildings to be certified by building inspectors before they can be rented is drawing criticism from a local group.

Under the proposal, landlords would apply for an inspection by the city Department of Neighborhood Services to make sure each rental unit meets building and zoning codes. The inspection will cost the landlord \$85 per unit, with the certification for each unit lasting four years if no disqualifying code violations are found after the initial inspection.

The ordinance would apply in two neighborhoods with older rentals, and problems with code violations: the area near University of Wisconsin-Milwaukee , and the Lindsay Heights neighborhood on the north side, said Ald. Nik Kovac, one of the proposal's sponsors.

The certification process is needed, said Kovac, because a lot of tenants, such as new UWM students, don't know enough about the building inspection process to notify the city of code violations. Also, some landlords delay on correcting code violations, he said.

Citizens for Responsible Government calls the proposal a "backdoor tax" on renters, saying landlords will pass on the fees to their tenants.

The group, in a statement, also says the proposal "grants broad and arbitrary power to building inspectors to issue certificates based on opinion and capricious application of the ordinance."

Kovac says the fees for inspections are to pay for building inspectors hired to do the certifications. He said the ordinance is not designed to make additional money for the city, as CRG charges.

The proposal is to be reviewed at the Oct. 27 meeting of the Common Council's Zoning, Neighborhoods and Development Committee.

Black, Tobie

From: Horn, Sarah
Sent: Thursday, October 22, 2009 9:11 AM
To: Black, Tobie
Subject: FW:
Another email for file #090429.

From: Cotter, Peg [mailto:pcotter@columbia-stmarys.org]
Sent: Wednesday, October 21, 2009 12:23 PM
To: Kovac, Nik; Horn, Sarah
Subject:

I wholeheartedly support the legislation that will demand inspection by the city Department of Neighborhood Services to make sure each rental unit meets building and zoning codes. This is good for the neighborhood and will help to keep properties in compliance with the codes that are already on the books but not being followed. Some of these properties are a mess and unsafe. This will help protect students from unscrupulous landlords who only take money and never keep their properties in good repair or to say the least safe. I would also mandate all rental properties have working smoke and Co2 monitors. I fear for an incident to happen before the city takes action on some of these rentals.

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10/23/2009

Black, Tobie

From: Horn, Sarah
Sent: Thursday, October 22, 2009 9:12 AM
To: Black, Tobie
Subject: FW: A "Yes" for rental property inspections

From: Fred Stoltz [mailto:fstoltz@jamescompany.com]
Sent: Wednesday, October 21, 2009 12:21 PM
To: Horn, Sarah
Subject: A "Yes" for rental property inspections

Sara,

Please pass on to Alderman Kovac my support for the proposed legislation requiring rental property inspection. I am a 22-year homeowner living near UWM. This will be good for the quality-of-life for all concerned...tenants and neighboring homeowners!

Thank you.

Fred Stoltz
3426 N. Cramer St.
Office: (414) 961-1158
Fax: (414) 963-6165
Cell: (414) 690-3426

Black, Tobie

From: Horn, Sarah
Sent: Thursday, October 22, 2009 9:13 AM
To: Black, Tobie
Subject: FW: rental property inspections

From: Salas, Miguel [mailto:SalasM@WEAC.org]
Sent: Wednesday, October 21, 2009 12:19 PM
To: Kovac, Nik
Cc: Horn, Sarah; 'Michael Rosen'
Subject: rental property inspections

Nik:

I support your legislation that will require rental property inspections. Such a law is good for homeowners, students and landlords. It will help stabilize our neighborhoods. If landlords want to do business in the city of Milwaukee they need to be responsible and should pay for the inspection-it should be part of the cost of doing business.

Miguel Salas
3351 N Hackett

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10/23/2009

Black, Tobie

From: Horn, Sarah
Sent: Thursday, October 22, 2009 9:15 AM
To: Black, Tobie
Subject: FW: Rental Inspection and Certificate Legislation

-----Original Message-----

From: Bill Werner [mailto:billwerner@me.com]
Sent: Wednesday, October 21, 2009 12:15 PM
To: Kovac, Nik; Horn, Sarah
Subject: Rental Inspection and Certificate Legislation

Hello Nik

Good for you for sponsoring the landlord inspection legislation.
Renting is a business and needs to be subject to some degree of oversight.

We appreciate your efforts !

Bill and Gwen Werner
3467 North Frederick Avenue

Black, Tobie

From: Horn, Sarah
Sent: Thursday, October 22, 2009 9:15 AM
To: Black, Tobie
Subject: FW: IMPORTANT CONTACT ALDERMAN KOVAC TODAY!!!!!!!!!!
Another for file #090429

From: Michael Rosen [mailto:rosenm@local212.org]
Sent: Wednesday, October 21, 2009 12:11 PM
To: Horn, Sarah
Subject: FW: IMPORTANT CONTACT ALDERMAN KOVAC TODAY!!!!!!!!!!

FYI

From: Michael Rosen
Sent: Wednesday, October 21, 2009 12:10 PM
To: Michael Rosen; 'Carol Thomas'; 'Nik Kovac'; 'kdsalas@sbcglobal.net'; 'gloriesalas@gmail.com'; 'hagenhoe@matc.edu'; 'Lauren'; 'j-drew@earthlink.net'; 'ljahrens@sbcglobal.net'; 'marshall_53211@yahoo.com'; 'pcotter@columbia-stmarys.org'; 'stanleymharrison@yahoo.com'; 'kurthconway@yahoo.com'; 'Fred Stoltz'; 'Gary Thiel'; 'James Sayers'; 'Salas, Miguel'; 'Werner William'; 'Eva Hagenhofer (hagenhoe@matc.edu)'; 'Salas, Miguel'; 'Marc Levine'; John Stilp
Subject: IMPORTANT CONTACT ALDERMAN KOVAC TODAY!!!!!!!!!!

Our Alderman, Nik Kovac, is sponsoring legislation (see Journal Sentinel Article below) that will require rental property inspections.

Under the proposal, landlords would apply for an inspection by the city Department of Neighborhood Services to make sure each rental unit meets building and zoning codes. This is good for the neighborhood and will protect students from unscrupulous landlords.

The sponsors are: Kovac, Davis, Wade, and Donovan.

The inspection will cost the landlord \$85 per unit, with the certification for each unit lasting four years if no disqualifying code violations are found after the initial inspection.

The CRG, Committee for Responsible Government, which is run by a landlord who uses anti-government rhetoric to cover his narrow economic motivations, issued a letter generating calls and emails against this proposal.

Kovac's plan is sensible. It's good for homeowners, students and landlords. It will help stabilize our neighborhoods.

If landlords want to do business in the city of Milwaukee they need to be responsible and abide by the rules of the rental market place. And they should pay for the inspection-it's part of the cost of doing business.

Please email Alderman Kovac nkovac@milwaukee.gov and his assistant Sara Horn at shorn@milwaukee.gov today!!!

Let them know you support their efforts. And please send this email to other east side residents

10/23/2009

who are committed to maintaining the quality of our neighborhoods.

Also, please let me know that you have emailed support.

Apartment inspection proposal draws fire

By Tom Daykin of the Journal Sentinel

Oct. 20, 2009

A proposed Milwaukee ordinance that requires apartment buildings to be certified by building inspectors before they can be rented is drawing criticism from a local group.

Under the proposal, landlords would apply for an inspection by the city Department of Neighborhood Services to make sure each rental unit meets building and zoning codes. The inspection will cost the landlord \$85 per unit, with the certification for each unit lasting four years if no disqualifying code violations are found after the initial inspection.

The ordinance would apply in two neighborhoods with older rentals, and problems with code violations: the area near University of Wisconsin-Milwaukee, and the Lindsay Heights neighborhood on the north side, said Ald. Nik Kovac, one of the proposal's sponsors.

The certification process is needed, said Kovac, because a lot of tenants, such as new UWM students, don't know enough about the building inspection process to notify the city of code violations. Also, some landlords delay on correcting code violations, he said.

Citizens for Responsible Government calls the proposal a "backdoor tax" on renters, saying landlords will pass on the fees to their tenants.

The group, in a statement, also says the proposal "grants broad and arbitrary power to building inspectors to issue certificates based on opinion and capricious application of the ordinance."

Kovac says the fees for inspections are to pay for building inspectors hired to do the certifications. He said the ordinance is not designed to make additional money for the city, as CRG charges.

The proposal is to be reviewed at the Oct. 27 meeting of the Common Council's Zoning, Neighborhoods and Development Committee.

CITY OF MILWAUKEE FISCAL NOTE

A) DATE October 16, 2009FILE NUMBER: 090429Original Fiscal Note ☐ Substitute ☒SUBJECT: A substitute ordinance establishing a residential rental certificate in two designated residential areas.B) SUBMITTED BY (Name/title/dept./ext.): Eric Pearson, Budget & Policy Manager, Dept. of Administration, x8554

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:	Code Enforcement Inspector II (5 positions)	006000	\$195,470		
	Fringe Benefits	006100	\$80,143		
SUPPLIES:	Various supplies, materials, services	006300	\$23,075		
MATERIALS:					
NEW EQUIPMENT:	Computers & equipment for 5 inspector staff	006800	\$20,000		
EQUIPMENT REPAIR:					
OTHER:					
TOTALS			\$318,688	\$316,625	-\$2,063

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 checked="" type="checkbox"/> 3-5 YEARS	Program expenditures will occur annually
<input type="checkbox"/> 1-3 YEARS	<input checked="" type="checkbox"/> 3-5 YEARS	Program revenues will occur annually
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE ☐

change in time

[illegible]



Legislation Details (With Text)

File #: 090535 **Version:** 1

Type: Ordinance **Status:** In Committee

File created: 9/1/2009 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Substitute ordinance relating to a change in zoning from Industrial-Light to a Detailed Planned Development known as Milwaukee's Asian Markets Phongsavan, on land located East of North 76th Street and South of West Mill Road, in the 2nd Aldermanic District.

Sponsors: THE CHAIR

Indexes: PLANNED UNIT DEVELOPMENTS, ZONING, ZONING DISTRICT 02

Attachments: Notice Published on 10-12-09 and 10-19-09, Exhibit A as of 10-19-09.pdf, Exhibit A Continued as of 10-19-09.pdf, Proposed Zoning Change Map.jpg, Affidavit for Zoning Change.pdf, City Plan Commission Letter.pdf, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2009	0	COMMON COUNCIL	ASSIGNED TO		
9/11/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
10/6/2009	1	CITY CLERK	DRAFT SUBMITTED		
10/12/2009	1	CITY CLERK	PUBLISHED		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number
090535
Version
SUBSTITUTE 1
Reference

Sponsor
THE CHAIR
Title

Substitute ordinance relating to a change in zoning from Industrial-Light to a Detailed Planned Development known as Milwaukee's Asian Markets Phongsavan, on land located East of North 76th Street and South of West Mill Road, in the 2nd Aldermanic District.

Analysis

This zoning change was requested by Pai Yang and Thai Vang and will allow for the development of the site at 6300 North 76th Street, as an Asian Market, utilizing the existing building and one new building for indoor vendor space for a total of approximately 440 vendors of Asian products.

Body

The Mayor and Common Council of the City of Milwaukee ("Common Council"), do ordain as follows:

Part 1. There is added to the Milwaukee Code of Ordinances ("Code") a new section to read as follows:

Section 295-907(2)(c).0148.

(1) In accordance with the provisions of Section 295-907 of the Code relating to the establishment of planned development districts, the Common Council approves the subject Detailed Planned Development, 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.

(2) The zoning map is amended to change the zoning for:

That part of the Northwest 1/4 of Section 27, Township 8 North, Range 21 East, in the City of Milwaukee, Milwaukee County, Wisconsin, which is bounded and described as follows:

Beginning at the northwest corner of said 1/4 Section; thence South along the west line of said 1/4 Section, 697.60 feet to the place of beginning of the land herein to be described; thence North 89 degrees 45 minutes East on a line, 680.50 feet to a point in the centerline of a drainage ditch; thence Northwesterly along the centerline of said drainage ditch, 247.75 feet to a point, which is 450 feet South of the north line of said 1/4 Section; thence West and parallel to the north line of said 1/4 Section, 666.37 feet to a point in the west line of said 1/4 Section, thence South along the west line of said 1/4 Section, 247.60 feet to the place of beginning, excepting therefrom those parts taken or reserved for street purposes, from Industrial-Light (IL1) to Detailed Planned Development (DPD).

(3) The requirements set forth in said detailed plan attached to this Common Council File as Exhibit A, constitute the zoning regulations for the area contained in such planned development district described, provided further, that the effect of the approval of such detailed plan is that such plan shall limit and control construction, location, use and operation of all land and structures included within the detailed plan to all conditions and limitations set forth in such detailed plan.

Part 2. Any persons, firm, company or corporation owning, controlling or managing any building or premises wherein or whereon there shall be placed or there exists anything in violation of the terms of this ordinance; or who shall build contrary to the plans or specifications submitted to and approved by the Commissioner of the Department of City

Development, or any person, firm, company or corporation who shall omit, neglect or refuse to do any act required in this ordinance shall be subject to the penalties provided in Section 200-19 of the Code.

Part 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions. The Common Council declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase or portion irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases or other portions be declared void or invalid.

Drafter

DCD:AJF:ajf

10/06/09

PROOF OF PUBLICATION

STATE OF WISCONSIN
MILWAUKEE COUNTY

} SS

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

10/12/2009 10/19/2009

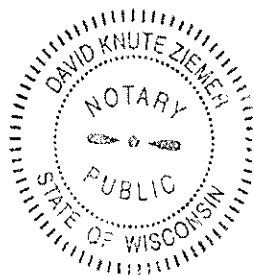
Ann E. Richmond

Subscribed and sworn to before me

October 19, 2009

[Signature]

Notary Public, Milwaukee County, Wisconsin
My Commission Is Permanent



C. NO. 27
FILE NUMBER 090535

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 September 1, 2009 meeting of the Milwaukee Common Council, the essence of which is as follows:

Substitute ordinance relating to a change in zoning from Industrial-Light to a Detailed Planned Development known as Milwaukee's Asian Markets Phongsavan, on land located East of North 76th Street and South of West Mill Road, in the 2nd Aldermanic District.

The Mayor and Common Council of the City of Milwaukee ("Common Council"), do ordain as follows:

Part 1. There is added to the Milwaukee Code of Ordinances ("Code") a new section to read as follows:

Section 295-907(2)(c).0148.

(1) In accordance with the provisions of Section 295-907 of the Code relating to the establishment of planned development districts, the Common Council approves the subject Detailed Planned Development, 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.

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(3) The requirements set forth in said detailed plan attached to this Common Council File as Exhibit A, constitute the zoning regulations for the area contained in such planned development district described, provided further, that the effect of the approval of such detailed plan is that such plan shall limit and control construction, location, use and operation of all land and structures included within the detailed plan to all conditions and limitations set forth in such detailed plan.

Part 2. Any persons, firm, company

or corporation owning, controlling or managing any building or premises wherein or whereon there shall be placed or there exists anything in violation of the terms of this ordinance; or who shall build contrary to the plans or specifications submitted to and approved by the Commissioner of the Department of City Development, or any person, firm, company or corporation who shall omit, neglect or refuse to do any act required in this ordinance shall be subject to the penalties provided in Section 200-19 of the Code.

Part 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions. The Common Council declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase or portion irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases or other portions be declared void or invalid.

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 301B, City Hall, 200 East Wells Street, Milwaukee, Wisconsin, on Tuesday, October 27, 2009 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 the 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 or participate in the hearing.

c) Upon reasonable notice, effort 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 (TDI) 286-2025 or by writing to the ADA Coordinator at Room 205, City Hall, 200 East Wells Street, Milwaukee, WI 53202.

d) Limited parking for persons attending meetings in City Hall is available at reduced rates (5-hour limit) at 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.

RONALD D. LEONHARD
City Clerk

10747284/10-12-19

Milwaukee's Asian Markets

PHONGSAVAN

Owners Statement of Intent

Owner's intent:

As a single mother and immigrant to the USA from Laos thru the Thailand's refugee camps. I have always wanted to give back to my community and help others as others have help me get started in this great country. I believe the Asian Markets Phongsavan project will be a great asset to the city of Milwaukee. It will help stimulate and be a catalyst for new businesses in the community. Some of the effects I feel this project will generate are:

- Bring in thousands of positive peoples willing to put money into the community.
- Provide around 300 new entrepreneur opportunities to create new jobs and economic wealth into the community.
- A creations of 350 to 500 new jobs for people who are currently unemployed.
- Provide a outlet for vendors to sell unique and traditional Asian goods and services.
- Showcase some of Asia's rich cultures to the open public.

We hope to eventually become a tourist attraction as Asian town for the city of Milwaukee. Our markets will specialize in Asian goods, but carry everyday items as well. It will be open to everyone. It will be a bazaar of exotic goods, some that will only be sold here, no where else in Wisconsin.

There is a great need for our market in the community. It is being pushed by the local Asian Communities. The Asian communities are growing rapidly in Milwaukee and Wisconsin. Asian data from the 2000 Census in Wisconsin were around 100,000 with the majority in Milwaukee. We also have the endorsements of the local non-profit Asian community organizations. This project will be a shining beacon in our community. It will bring many opportunities and pride into our community.

Business informations:

- Business name: Milwaukee's Asian Markets Phongsavan
- Business address: 6300 North 76th Street
Milwaukee, WI 53218
- Business phone: (414) 760-3771
(414) 531-9259
(414) 491-9972
(414)491-9973

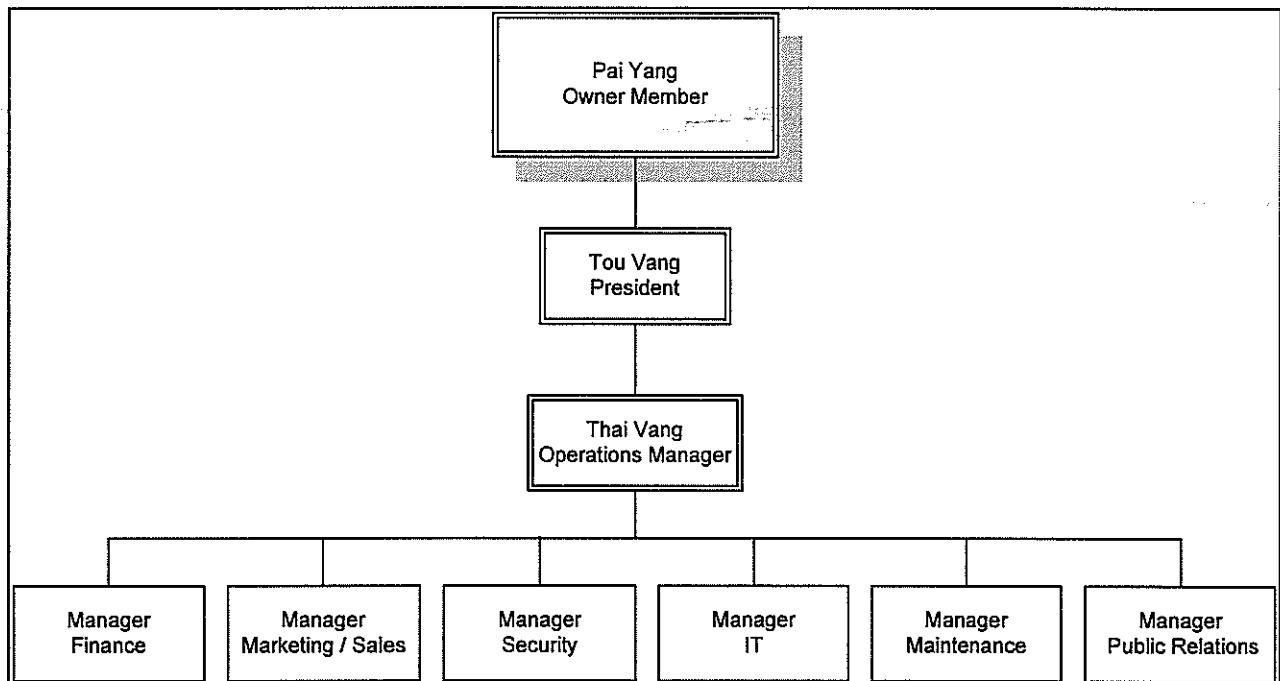
Hours of operations:

Milwaukee's Asian Markets Phongsavan will open 7 days a week, Monday thru Sunday. Doors will be opened 7am and closed at 9pm. We will be closed on the following holidays:

- January 1st (New Year Day)
- December 25th (Christmas)

Business structure:

Milwaukee's Asian Markets Phongsavan will operate as a Limited Liability Company (LLC). Pai Yang will be the only owner member with managers running the operations. The managerial structure is:



Business operations:

The business will operate similar to a mini markets mall. Stalls (10 x 10) will be divided up in the buildings and charge a monthly rental fee. Stalls in the old building will be rented at \$350.00 per month and \$400.00 in the new building. The old building will consist of roughly 65 stalls and new building roughly 375 stalls. The new building will also have a food court consisting of 4 coffee houses and 8 full restaurants. The rents for the coffee house are \$900.00 per month and restaurant are \$1200.00 per month. All utilities

are included in the monthly rental fee. Vendors will be signed to 1 year leases with security deposit equal to their first month rental.

Revenue projections:

- New building : square dimension is 104 x 392
 - * will house around 375 indoor vending stalls.
 - * each stall will roughly be 10x10.
 - * stall priced at \$400.00 per month.
- Existing building: square dimension is 68 x 190
 - * will house around 65 indoor vending stalls.
 - * most stalls will be around 10x10.
 - * stall will be priced at \$350.00 per month.
- Total revenue of operations: 375 indoor stalls @ \$400.00 + 65 indoor stalls @ \$350 (opens 7 days a week)
 - * $\$150,000.00 + \$22,750.00 = \$172,750.00$ per month
 - * $\$2,073,000.00$ annually

Comparisons of other similar business operations:

- 7 Miles Fair: outside Milwaukee, WI (opens only weekend)
 - * 750 indoor stalls of 8x10 @ around \$300.00 (just the indoor portions)
 - * monthly @ \$225,000
 - * annually @ \$2,700,000
- International Hmong Markets: St. Paul, MN (opens 7 days a week)
 - * 578 indoor stalls of 12x12 @ around \$750.00
 - * monthly @ \$433,500
 - * annually @ \$5,202,000

We want to emulate the International Hmong Market in St. Paul, Minnesota. They currently have around 370 dedicated entrepreneurs employing more than 500 employees. What is amazing about this market is that they also have a waiting list of roughly another 250 plus vendors who want to get in and start their own business.

Security:

Milwaukee's Asian Markets Phongsavan will employ a combination of security guards and surveillance equipments. Surveillance equipments will be deployed at key locations on both buildings and be on at all times. It will be recorded and stored for a duration of 2 weeks. The stored tapes will be kept in locked compartments inside the security manager's office. Playback viewing can be done anytime with managerial

authorizations.

A security force of roughly 12 certify security guards with a security manager will also be employed. During business hours, a minimal of 4 security guards will always be on duty. One will patrol the varies parking lots on a bicycle. A second will patrol the old building. The last two will patrol inside the new building levels 1 and 2. During off hours, there will be 2 security guards monitoring the varies surveillance monitors and patrolling between the 2 buildings. After 1am, the remaining security guards will leave with just the surveillance equipments on.

At night, lighting fixtures fixed to both building will provide ample lighting for the outside of the buildings, sidewalks, and parking lots. There will also be lighting fixtures on poles for the north-east parking lot.

Loading Zone:

There is a loading zone on the south side of the building with double aluminum doors for vendors to bring in their inventories. The loading zone is conveniently located need the middle of the new building with big aisle walkways to both the food court and 1st floor vending stalls. It also has easy access to a 2 stop hydraulic elevator for vendors on the 2nd floor.

The loading zone will not contain any lift gates or loading docks. There is no need for some contractions. No semi trucks or heavy ton vehicles will use the loading zone. Our vendors are not in the volumes where they will need some equipments. Mostly small compact cars, vans, and small trucks will do most of the loading and unloading.

Landscaping:

The landscaping will be maintain by Milwaukee's Asian Markets Phongsavan's employees. The schedule will be managed by the maintenance manager and be kept updated weekly. There will be a crew of 2 maintenance employees that will maintain the landscaping. They will be schedule on Tuesday 8am to 12pm and Thursday 8am to 12pm. It will be one of the maintenance manager's primary duties that the landscaping be kept lively and in good looking conditions.

Vendor parking:

Milwaukee's Asian Markets Phongsavan will not provide any special parking privileges for vendors due to the number of limited parking spaces. Also as per vendor lease agreement, each vendor can only use the parking lot 3 times a week. Vendors are encourages to be drop off and save the varies parking spaces for the customers.

Conclusion:

Milwaukee's Asian Markets Phongsavan will strive to be a key asset to the city of

Milwaukee. We plan to grow and be an integrate partner with the community. Milwaukee is a great place to live and raise a family. We want to do our best to make it even a better place for us and our children.

Detailed Plan Project Description

The Milwaukee Asian Markets Phongsavan will be the first Asian marketplace in the city of Milwaukee. This unique marketplace will have a variety of vendors from merchants to fresh produce growers. See owner's statement of intent for extent of overall development concept and business plan.

The property at 6300 North 76th Street, in the Havenwood district is just south of Mill Road. The site is 3.01 acres. An existing approximately 13,940 square feet concrete block building is located slightly less than 10 feet south the north property line and fronts on N 76th Street. The remainder of the land is vacant.

The existing building is 72' x 173' with a 33' x 47' appendage on the east (back) side. No interior upgrades are proposed at this time. The exterior will be upgraded on north, west, and 24' on western end of south façades with a painted fiber cement clapboard siding. The entire building will be fully renovated in the future.

The entire site around the existing building will be cleared and prepared as necessary to accommodate the new construction project. Removal of existing features include but is not limited to the existing pylon sign at the western front, wood light poles in the eastern half of site, and concrete paving in front of the existing building as noted in the site plan on sheet DPD-3.

The proposed new building will have 40,768 square feet on the first floor and 29,120 square feet on the second floor. The first floor includes a retail merchant stalls area on western half of building and a food court and multi-purpose area respectively on eastern half of building. The second floor includes a retail merchant stalls area on the west 2/3 of the floor and office spaces on the east 1/3 of the floor.

The 104'-0" x 392'-0" new building footprint will be centered between the south wall of the existing building and the south property line. The west façade will align with front of the existing building on N 76th Street. The eastern 71 feet of the site contains a 71 foot electrical easement running north to south. The east side of building will stop just short of the easement line. The new building will be slightly over 30 feet south of the existing building and slightly over 30 feet north of the South property line as shown on the site plan on sheet DPD-3.

The proposed exterior façade will be painted cement clapboard siding with accent panels above a concrete block veneer base. The majority of the roof will be a sloped standing seam metal roof system. A ballasted, minimally sloped roof system will be constructed at the middle of building for roof mounted mechanical units. The wall openings will be an aluminum storefront system with clear low-e glazing. An entrance canopy will protect the

front west entrance from weather. Awnings are provided over the windows along the west elevation of both the existing and new buildings and at the north entrance to new building. See sheet DPD-4 and DPD-5 for extent of exterior cladding materials.

The existing concrete drives in front of the existing building will be removed and replaced with concrete sidewalks providing access to the existing building through an open area landscaped with trees, grass and other plants. A new drive way will separate the buildings and provide access to parking at the back of the site. The landscaped open space will continue in front of the proposed new building. The new building access sidewalks will extend through a landscaped area of shrubbery and wild prairie style grass. This landscaped area will cover an underground water retention system which will manage water runoff for this project as required by applicable ordinances. A second access drive is provided south of the building. Another small open area with grass and trees is located in the southwest corner of site.

A pedestrian concrete sidewalk is proposed to be installed along N 76th Street to connect to future sidewalks adjacent on adjacent properties for pedestrian access to the marketplace. Sidewalks will be provided along both sides of the new building which connect to the sidewalk along N 76th Street. A 12'-0" wide (average) concrete paved area for seats and tables and a bike rack as indicated on DPD-3 will be located at the front of the new building. The signature market entrance is located in the center of the front façade of the new building.

The two asphalt driveways provide vehicular and emergency access to the site. The north asphalt drive located between the existing and new building provides 2 way vehicular access to the main parking lot. The main lot located in the northeast quadrant of site behind the existing building contains 59 parking spaces. The south driveway located between the south side of new building and the south property line will have 16 parallel parking spaces and a merchant loading zone. The driveway extends around the east side of the new building and connects to the main parking lot. 9 angle parking spaces are located behind the new building along this drive. A total of 84 parking spaces are provided. The parking ratio is 1 space per 1000 square feet of total building area.

The loading zone located at middle of the south access driveway is sized for small trucks and vans. No large truck deliveries are anticipated for the vendors and merchants in this facility. Delivery's will be moved into the building by hand or with hand trucks through double aluminum doors at the delivery zone. A 2 stop hydraulic elevator will provide both pedestrian and freight service to the second floor and will be sized for accessibility requirements and merchant delivery use.

A building refuse collection area is located in the southeast corner of site at the end of the south driveway. A screen wall with gates for access will be provided.

Light cut-off style down light fixtures mounted on the building wall will be spaced equally along the north, east and south elevations of building to light the driveways. Pole mounted light cut-off style down light fixtures will light the parking lot. Down lights will be provided at each entrance to the new building and at the existing building front entrance. Equally spaced pole lights will light the front open area at new building.

All utilities will be connected underground. A transformer will be located at the east (back) side of building subject to the utility requirements.

A gate structure will extend over the driveway entrance between the existing and new building to announce the entrance to the market. The clearance under gate will be 21'-9". A Type A free standing project identification sign not to exceed 32 square feet will be attached to the gate structure. Integral lighting will be designed into the sign. See 9/DPD-5 for extent of detailed gate and sign elevation.

A Type A wall sign not to exceed 18 square foot will be mounted next to the north entrance into the new building. See 5/DPD-5 for extent of detailed sign elevation.

Statistical Sheet

1. Gross Land Area = 3.01 acres or 131,123 square feet
2. Maximum amount of land covered by principal buildings = 13,973 square feet (existing) + 40,768 square feet (new) = 54,741 square feet
3. Maximum amount of land devoted to parking and drives = 45,388 square feet
4. Amount of land devoted to hard surface (sidewalk, patio, etc) = 11,622 square feet
5. Minimum amount of land devoted to landscaped open space = 19,372 square feet
6. Proposed number of buildings = 1 existing + 1 new = 2
7. Parking spaces per thousand square feet of building area = 1 per 1000

DETAILED PLANNED DEVELOPMENT

MILWAUKEE'S ASIAN MARKETS PHONGSAVAN

PROJECT TEAM

DEVELOPER
MILWAUKEE'S ASIAN MARKETS PHONGSAVAN

ARCHITECT
HAMMEL, GREEN, and ABRAHAMSON, INC

CIVIL ENGINEERS
KAPUR & ASSOCIATES CONSULTING ENGINEERS

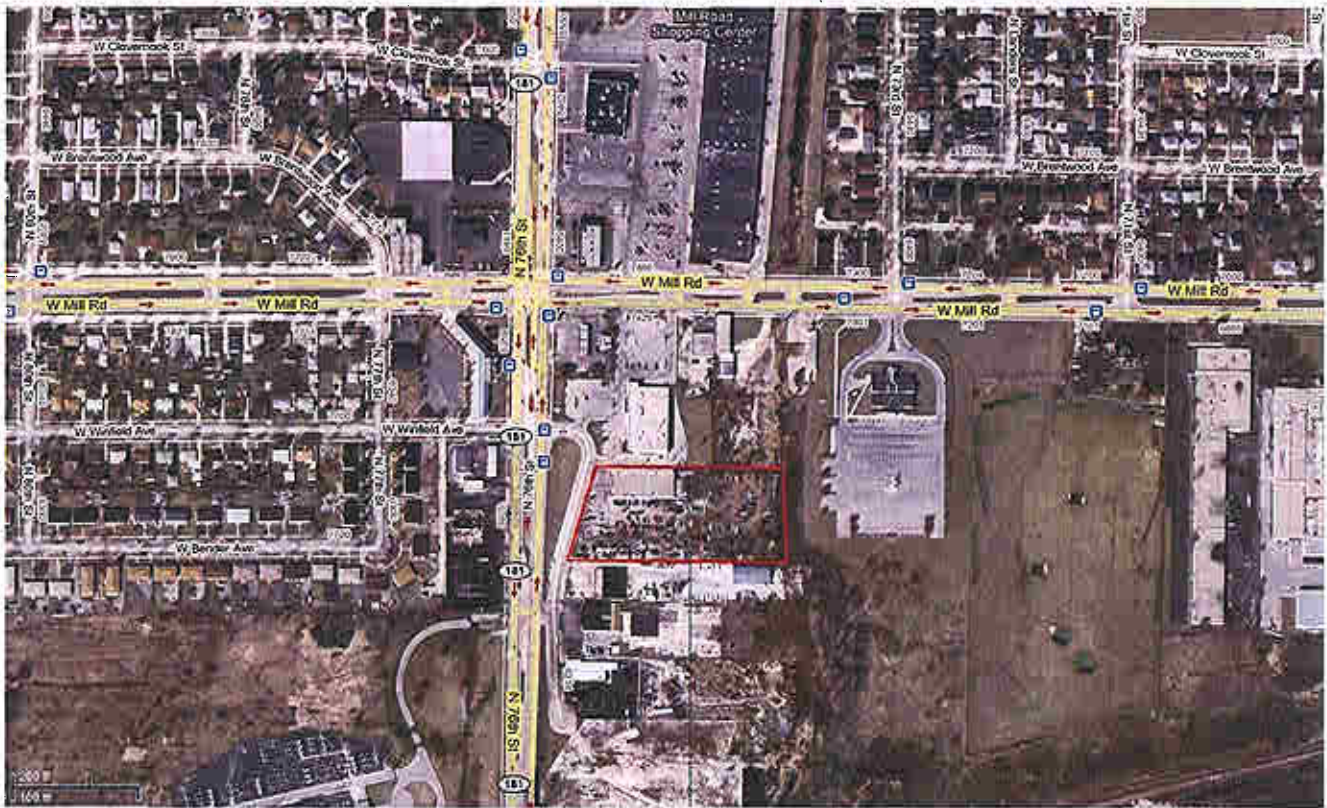
LANDSCAPE ARCHITECT
KAPUR & ASSOCIATES CONSULTING ENGINEERS



RENDERED VIEW FROM SOUTHWEST CORNER

SHEET INDEX

- DPD-0 COVER SHEET/PROJECT TEAM/ SHEET INDEX/VICINITY MAP
- C101 SITE DEMOLITION PLAN
- C102 PROPOSED SITE PLAN
- C104 PROPOSED SITE GRADING PLAN
- C105 PROPOSED SITE UTILITY PLAN
- L101 PROPOSED SITE LANDSCAPE PLAN
- DPD-1 PLAT OF SURVEY - EXISTING
- DPD-2 VICINITY MAP
- DPD-3 PROPOSED ARCHITECTURAL SITE PLAN
- DPD-4 PROPOSED BUILDING ELEVATIONS
- DPD-5 ENLARGED ELEVATIONS, SITE PLAN KEY, PROPOSED GATE AND SIGN
- DPD-6 SITE PHOTOGRAPHY
- DPD-7 SITE PHOTOGRAPHY



SITE

VICINITY MAP

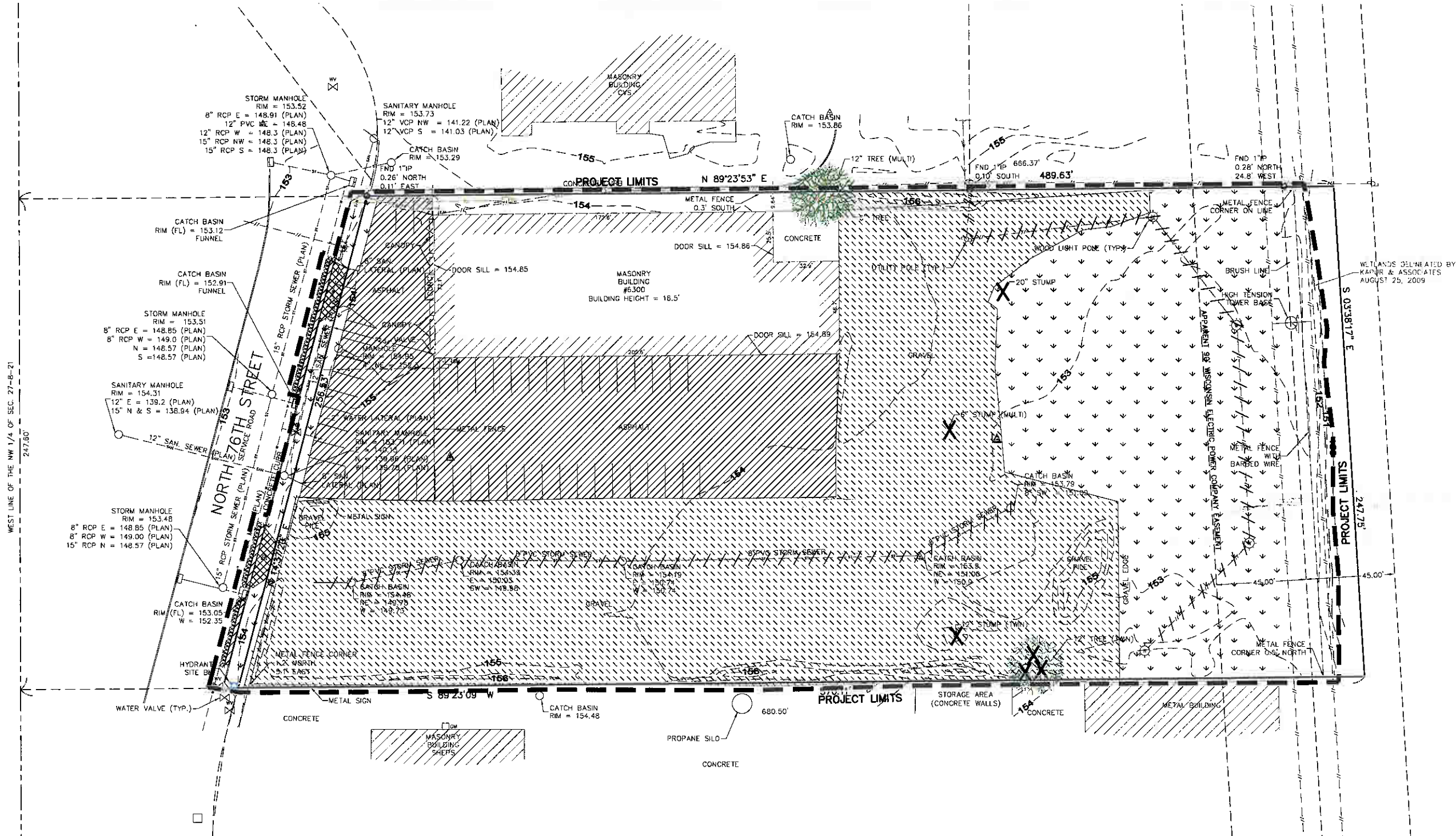
PROJECT TITLE: MILWAUKEE ASIAN MARKET
PROJECT LOCATION: 6300 N. 76TH STREET

HGA
Architecture | Engineering | Planning
Hammel, Green and Abrahamson, Inc.
330 East Erie Street
Milwaukee, Wisconsin USA 53202
Telephone 414.278.8200 Facsimile 414.278.7734

REVISION HISTORY - THIS SHEET

DETAILED PLANNED DEV.
COMM. NO. 3095-001-00
SCALE
DATE October 2nd, 2008
DRAWN HGA PY

COVER SHEET/PROJECT
TEAM/ SHEET
INDEX/VICINITY
DPD-0



DEMOLITION NOTES

1. EXACT PLACEMENT OF ALL REMOVAL ITEMS THAT ARE TO BE STOCKPILED SHALL BE COORDINATED WITH THE OWNER.
2. THE UNDERGROUND UTILITY INFORMATION AS SHOWN HEREON IS BASED, IN PART, UPON INFORMATION FURNISHED BY UTILITY COMPANIES, LOCAL MUNICIPALITY, PROPERTY OWNER, AND DIGGERS HOTLINE. WHILE THIS INFORMATION IS BELIEVED TO BE RELIABLE, ITS ACCURACY AND COMPLETENESS CANNOT BE GUARANTEED NOR CERTIFIED TO.
3. CONTRACTOR SHALL NOTIFY BY PHONE AND MAIL ALL UTILITY OWNERS AT LEAST 2 WEEKS PRIOR TO CONSTRUCTION.
4. CONTRACTOR SHALL APPLY FOR AND OBTAIN ALL REQUIRED PERMITS PRIOR TO THE START OF DEMOLITION OR CONSTRUCTION.
5. CONTRACTOR SHALL CONTACT DIGGER'S HOTLINE ONE WEEK PRIOR TO COMMENCEMENT OF WORK.
6. EARTHWORK CONTRACTOR SHALL COORDINATE ALL ELECTRICAL DEMOLITION FROM EXISTING POWER POLES, LIGHT POLES, AND BUILDINGS WITHIN THE PROJECT LIMITS WITH THE ELECTRICAL DEMOLITION CONTRACTOR. DEMOLITION OF THESE UTILITIES MUST BE IN ACCORDANCE WITH ALL STATE, FEDERAL, & LOCAL REGULATIONS. ALL ELECTRICAL DEMOLITION IS BY ELECTRICAL CONTRACTOR. REFER TO ELECTRICAL SITE PLAN FOR MORE INFORMATION.
7. CONTRACTOR SHALL VERIFY OWNER AND COORDINATE ALL GAS LATERAL DEMOLITION FROM THE EXISTING BUILDINGS WITHIN THE PROJECT LIMITS. DEMOLITION OF THIS UTILITY MUST BE IN ACCORDANCE WITH ALL STATE, FEDERAL, & LOCAL REGULATIONS.

DEMOLITION LEGEND

- GRASS/TOPSOIL TO BE STOCKPILED/ REMOVED. THICKNESS MAY VARY.
- ASPHALT AND PAVEMENT BASE TO BE REMOVED. THICKNESS MAY VARY.
- GRAVEL BASE TO BE REMOVED. THICKNESS MAY VARY. CAN BE STOCKPILED AND REUSED AS BASE.
- CONCRETE AND PAVEMENT BASE TO BE REMOVED. THICKNESS MAY VARY.
- XXXXXXXXXX SAWCUT FULL DEPTH
- REMOVE TREES
- SYN DENOTES UTILITIES TO BE REMOVED AND RELOCATED IN THIS CONTRACT

DETAILED PLANNED DEV.

COMM. NO. 08.0209.01
SCALE 1" = 20'-0"
DATE OCTOBER 2, 2009
DRAWN KB

SITE DEMOLITION PLAN

C101

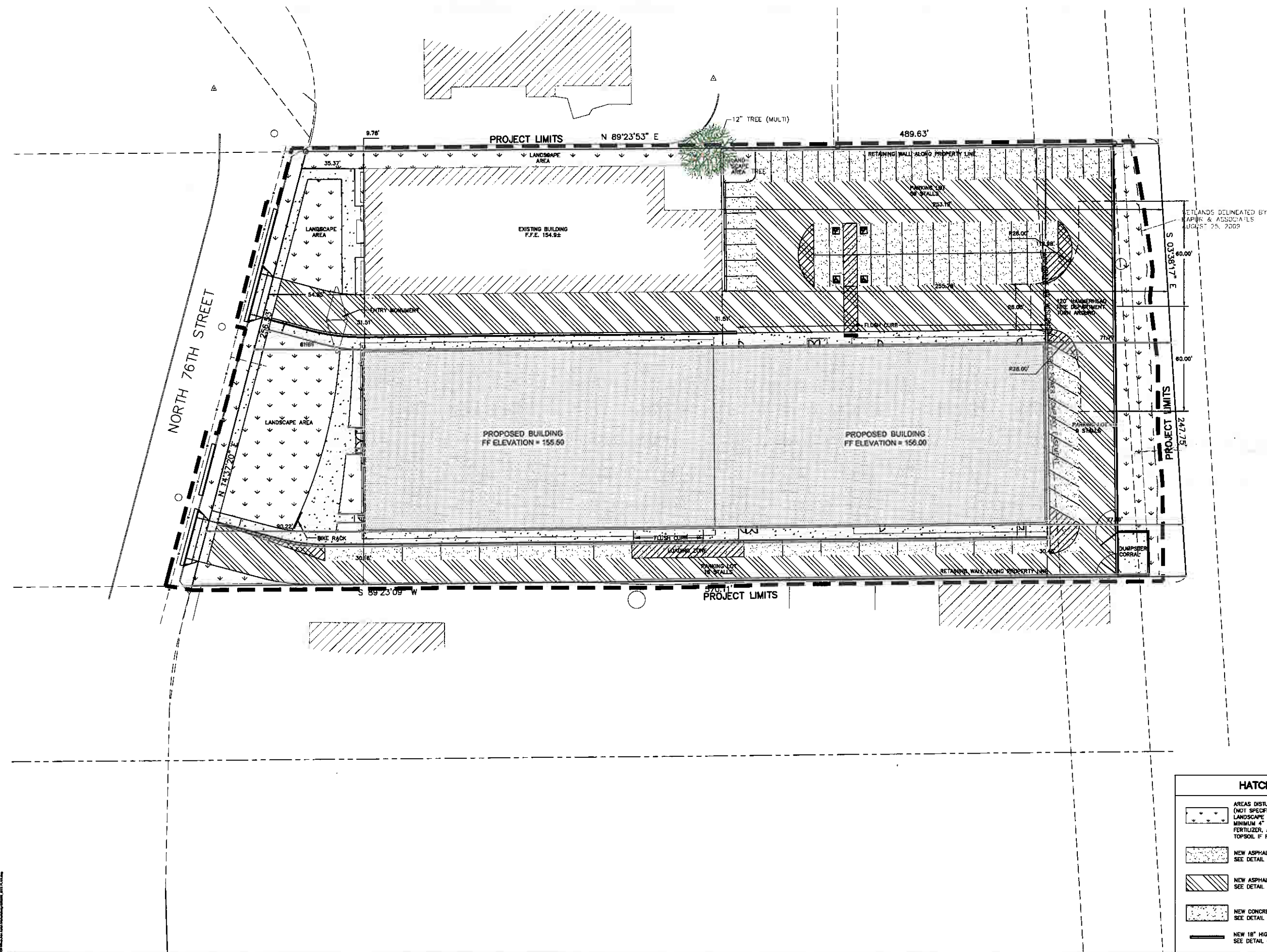
PROJECT TITLE: MILWAUKEE ASIAN MARKET

PROJECT LOCATION: 6300 N. 76TH STREET

HA
Architecture | Engineering | Planning
Hammel, Green and Abrahamson, Inc.
332 East Erie Street
Milwaukee, Wisconsin USA 53202
Telephone 414.278.9200 Facsimile 414.278.3734

KAPUR & ASSOCIATES, INC.
CONSULTING ENGINEERS
2715 N. PORT WASHINGTON ROAD
MILWAUKEE, WISCONSIN 53226
Phone: 414.261.8800 Fax: 414.261.8117
www.kapurengineers.com

REVISION HISTORY - THIS SHEET



HATCH LEGEND

- AREAS DISTURBED BY CONSTRUCTION (NOT SPECIFICALLY CALLED OUT ON THE LANDSCAPE PLANS) TO BE RESTORED WITH MINIMUM 4" SALVAGED TOPSOIL, SEED, FERTILIZER, AND MULCH (TYP). IMPORT TOPSOIL IF REQ'D.
- NEW ASPHALTIC CONCRETE PARKING AREAS SEE DETAIL
- NEW ASPHALTIC CONCRETE ACCESS DRIVE AREAS SEE DETAIL
- NEW CONCRETE SIDEWALK/SLAB SEE DETAIL
- NEW 18" HIGH-SIDE CURB & GUTTER SEE DETAIL

PROJECT TITLE: MILWAUKEE ASIAN MARKET
PROJECT LOCATION: 6300 N. 76TH STREET

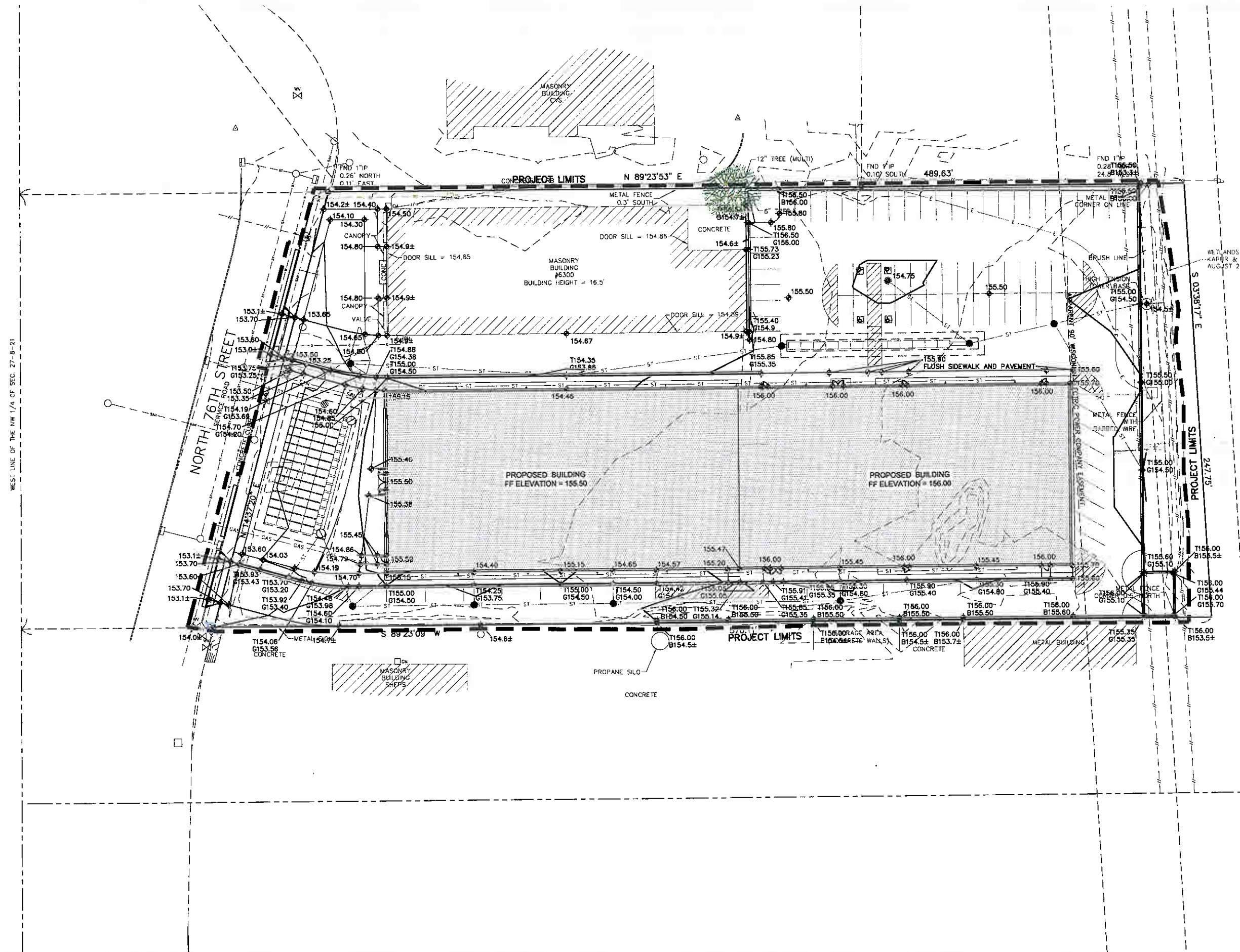
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333 East Erie Street
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CONSULTING ENGINEERS
2711 N. PORT WASHINGTON ROAD
MILWAUKEE, WISCONSIN 53227
PHONE 414.261.8888 FAX 414.261.4117
WWW.KAPURENGINEERS.COM

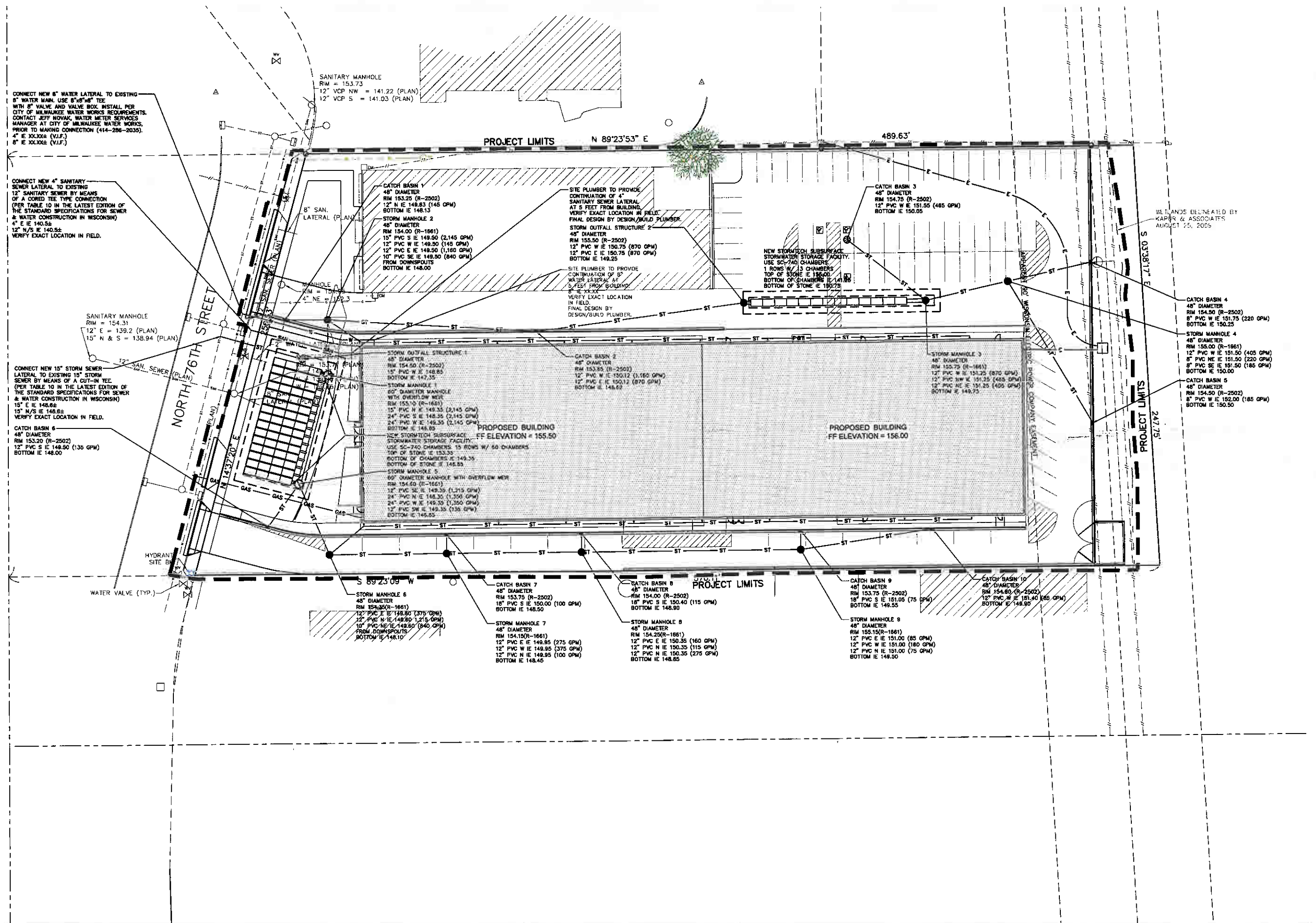
REVISION HISTORY - THIS SHEET

DETAILED PLANNED DEV. SITE PLAN
COMM. NO. 06.0289.01
SCALE 1" = 20'-0"
DATE OCTOBER 2, 2008
DRAWN KB

WEST LINE OF THE NW 1/4 OF SEC. 27-8-21



WETLANDS DEFINED BY
KAPUR & ASSOCIATES
AUGUST 25, 2009



PROJECT TITLE: MILWAUKEE ASIAN MARKET

PROJECT LOCATION: 6300 N. 76TH STREET



Architecture | Engineering | Planning
Hammel, Green and Abrahamson, Inc.
333 East Erie Street
Milwaukee, Wisconsin USA 53202
Telephone 414.278.8288 Facsimile 414.278.7734



KAPUR & ASSOCIATES, INC.
CONSULTING ENGINEERS
771 N. NORTH AVENUE, SUITE 200
MILWAUKEE, WISCONSIN 53202
PHONE 414.261.8888 FAX 414.261.4117
WWW.KAPURENGINEERS.COM

REVISION HISTORY - THIS SHEET

DETAILED PLANNED DEV.

COMM. NO.	06.0288.01
SCALE	1" = 20'-0"
DATE	OCTOBER 2, 2006
DRAWN	KB

SITE UTILITY PLAN

C105



CAPITAL SURVEY ENTERPRISES
5401 WISCONSIN BL. SUITE 200
MILWAUKEE, WI 53228
TEL: 414.278.0200
FAX: 414.278.0201
WWW.CSE-ENTERPRISES.COM

LEGAL DESCRIPTION:
THAT PART OF THE NORTHWEST ONE-QUARTER (1/4) OF SECTION TWENTY-SEVEN (27), TOWNSHIP SOUTH (S) NORTH, RANGE TWENTY-ONE (21) EAST, IN THE CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN, WHICH IS BOUNDED AND DESCRIBED AS FOLLOWS:
BEGINNING AT THE NORTHWEST CORNER OF SAID 1/4 SECTION, THENCE SOUTH ALONG THE WEST LINE OF SAID 1/4 SECTION, 692.20 FEET TO THE PLACE OF BEGINNING OF THE LAND HEREIN TO BE DESCRIBED; THENCE NORTH 89°05'00" EAST ON A LINE, 692.20 FEET TO A POINT IN THE CENTER LINE OF A DRAINAGE DITCH, THENCE NORTHWESTERLY ALONG THE CENTER LINE OF SAID DRAINAGE DITCH, 247.75 FEET TO A POINT IN THE CENTER LINE OF THE NORTH LINE OF SAID 1/4 SECTION, THENCE WEST AND PARALLEL TO THE NORTH LINE OF SAID 1/4 SECTION, 498.27 FEET TO A POINT IN THE WEST LINE OF SAID 1/4 SECTION, THENCE SOUTH ALONG THE WEST LINE OF SAID 1/4 SECTION, 247.80 FEET TO THE PLACE OF BEGINNING, EXCEPTING THEREFROM THOSE PARTS TAKEN OR RESERVED FOR STREET PURPOSES.
CONTAINING 124,133 SQUARE FEET OR 3.01 ACRES.

- NOTES:
1. SUBJECT PROPERTY BOUND: N1.
 2. ELEVATIONS BASED ON CITY OF MILWAUKEE BENCHMARK AND ARE AS FOLLOWS: STREET - HOME, SIDE - HOME, REAR - HOME.
 3. LEGAL DESCRIPTION PROVIDED BY CLIENT. WARRANTY DEED DOCUMENT NUMBER 0886448, RECORDED 01/18/2009.
 4. THE UNDERGROUND UTILITY INFORMATION AS SHOWN HEREON IS BASED, IN PART, ON INFORMATION FURNISHED BY THE UTILITY COMPANIES, EXCEPT WHERE SHOWN OTHERWISE. THE LOCAL MUNICIPALITY, WHILE THIS INFORMATION IS BELIEVED TO BE TRUTHFUL, ITS ACCURACY AND COMPLETENESS CANNOT BE GUARANTEED NOR GUARANTEED TO.
 5. THE SUBJECT PROPERTY IS NOT IN THE 100 YEAR FLOOD PLAIN PER FLOOD INSURANCE RATE MAP - COMMUNITY PANEL 080702010C, EFFECTIVE DATE 5-25-08.
 6. PROJECT BENCHMARK - REFERENCE BENCHMARK AT NORTHWEST CORNER OF NORTH 7TH STREET AND WEST MILWAUKEE AVENUE, CHISELED CROSS IN TOP OF 30CM SIDE OF HYDRANT PLUMB, 1.5' ABOVE CONCRETE, FINAL ELEVATION = 737.781'. CITY OF MILWAUKEE CONFORMANCE FACTOR TO CITY DATUM = 380.00'.
 7. SITE BENCHMARK - NORTHWEST PLUMB BOLT OF HYDRANT AT SOUTHWEST CORNER OF SUBJECT PROPERTY, ELEVATION = 150.27'.
 8. ELEVATIONS BASED ON INFORMATION FROM THE CITY OF MILWAUKEE AND DEWPC AND ARE AT CITY OF MILWAUKEE DATUM.



Toll Free (800) 342-0301
Milwaukee Area (414) 228-1161
Needing Insured TDD (800) 542-2280
www.MeersandDotline.com

I CERTIFY THAT I HAVE SURVEYED THE ABOVE DESCRIBED PROPERTY, AND THE ABOVE MAP IS A TRUE REPRESENTATION THEREOF AND SHOWS THE SIZE AND LOCATION OF THE PROPERTY, ITS EXTERIOR BOUNDARIES, THE LOCATION AND DIMENSIONS OF ALL VISIBLE STRUCTURES THEREON, BOUNDARY LINES, APPARENT EASEMENTS AND EASEMENTS AND VISIBLE ENCROACHMENTS, IF ANY. THIS SURVEY IS MADE FOR THE EXCLUSIVE USE OF THE PRESENT PROPERTY, AND ALSO THOSE WHO PURCHASE, MORTGAGE, OR OTHERWISE TAKE INTEREST THEREIN, WITHIN ONE (1) YEAR FROM DATE THEREOF.

DATE: 10-2-2009

RESERVED LAND MARKS: 2546



NO.	DESCRIPTION	REVISION DATE	REVISION
1	ISSUED TO MEERS & DOTLINE AND COMPANY FROM MEERS & DOTLINE	08-08	MLB
2			
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7			
8			
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PLAT OF SURVEY

FOR
ASIAN MARKET
6300 NORTH 76TH STREET
MILWAUKEE, WI

Drawn By: MLB	Date: 8-21-09
Checked By: MLB	Drawn No: P-0
CSE Job No: 08-161	Sheet: 1 of 1

PROJECT TITLE: MILWAUKEE ASIAN MARKET

PROJECT LOCATION: 6300 N. 76TH STREET

HA
Architecture | Engineering | Planning
Hammel, Green and Abrahamson, Inc.
333 East Erie Street
Milwaukee, Wisconsin USA 53202
Telephone 414.278.0200 Facsimile 414.278.7724

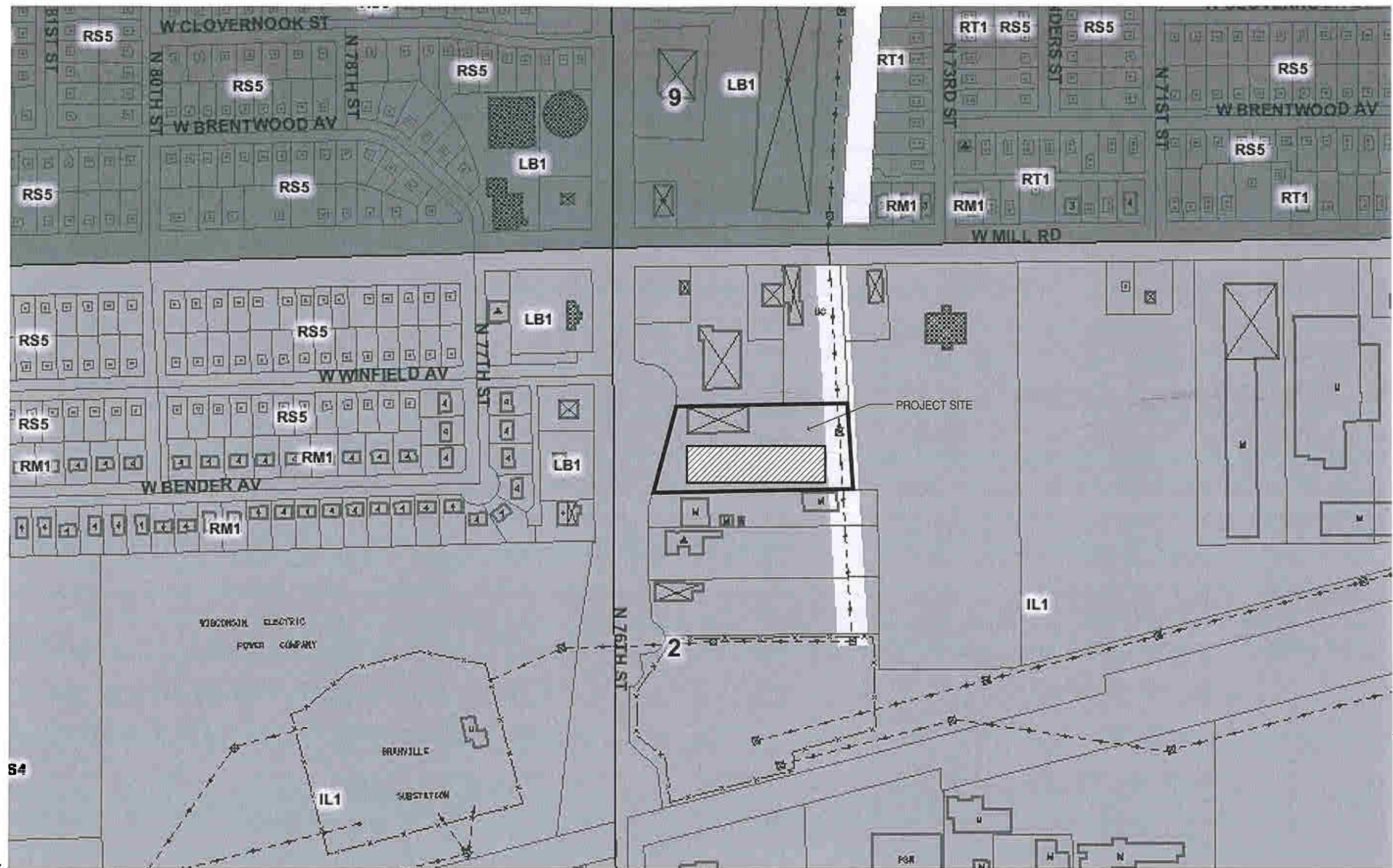
REVISION HISTORY - THIS SHEET

DETAILED PLANNED DEV.

COMM. NO.	3055-001-00
SCALE	
DATE	October 2nd, 2009
DRAWN	HGA PY

PLAT OF SURVEY - EXISTING

DPD-1



PROJECT TITLE: MILWAUKEE ASIAN MARKET

PROJECT LOCATION: 6300 N. 76TH STREET

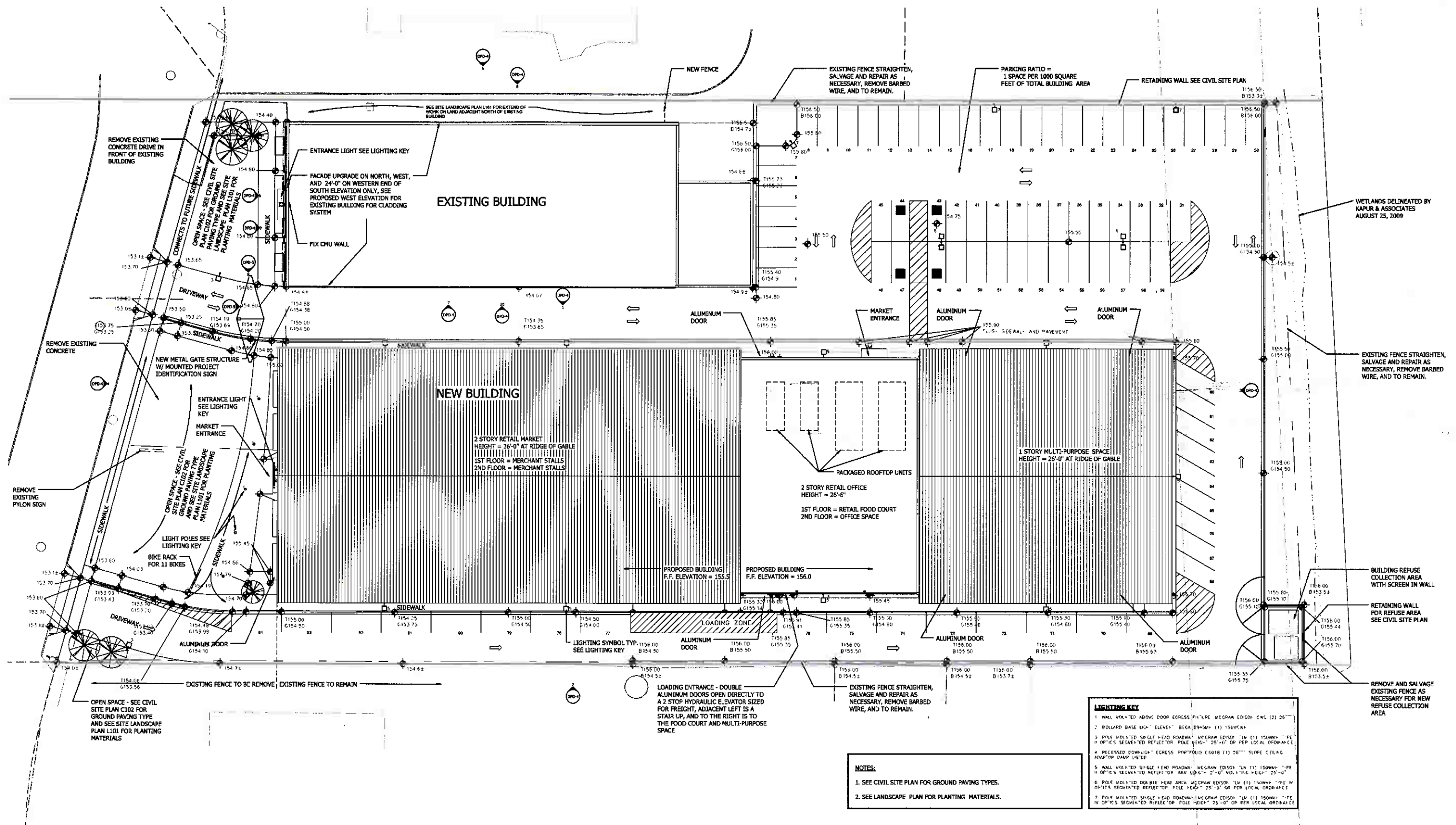
HGA
 Architecture | Engineering | Planning
 Hammel, Green and Abrahamson, Inc.
 333 East Erie Street
 Milwaukee, Wisconsin USA 53202
 Telephone 414.278.8200 Facsimile 414.278.7734

REVISION HISTORY - THIS SHEET

DETAILED PLANNED DEV.
 COMM. NO. 3095-001-00
 SCALE 1" = 100'-0"
 DATE October 2nd, 2009
 DRAWN HGA PY

VICINITY MAP

DPD-2



PROJECT TITLE: MILWAUKEE ASIAN MARKET

PROJECT LOCATION: 6300 N. 76TH STREET



Architecture | Engineering | Planning
Hammel, Green and Abrahamson, Inc.
333 East Erie Street
Milwaukee, Wisconsin USA 53202
Telephone 414.278.8200 Facsimile 414.278.7734

REVISION HISTORY - THIS SHEET
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DETAILED PLANNED DEV.

COMM. NO. 3095-001-00

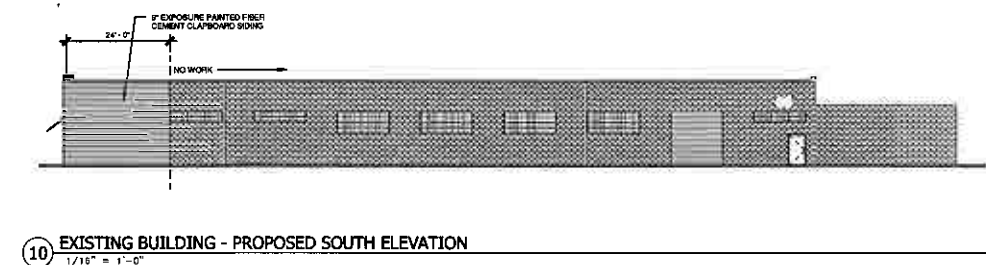
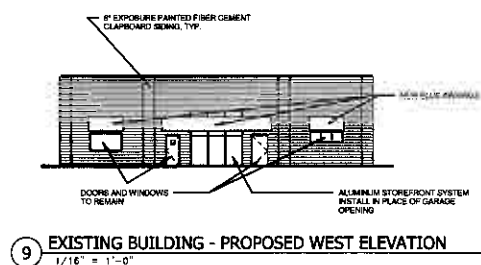
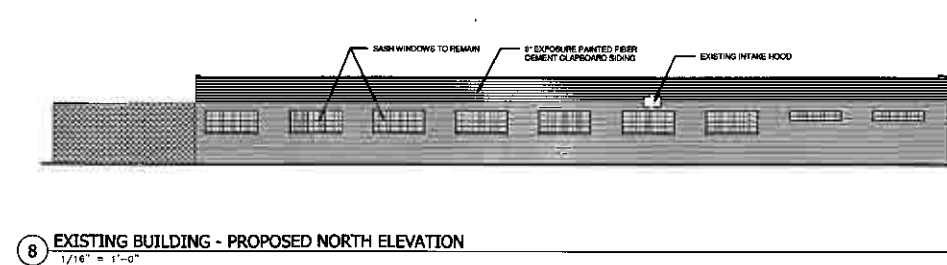
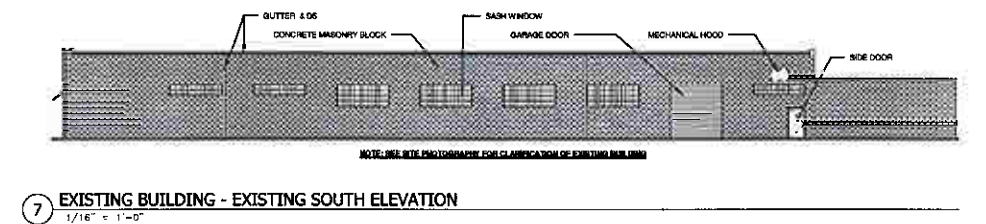
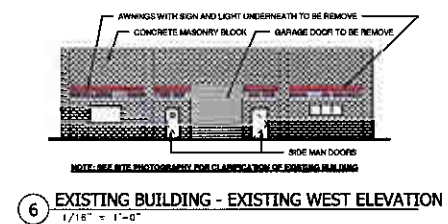
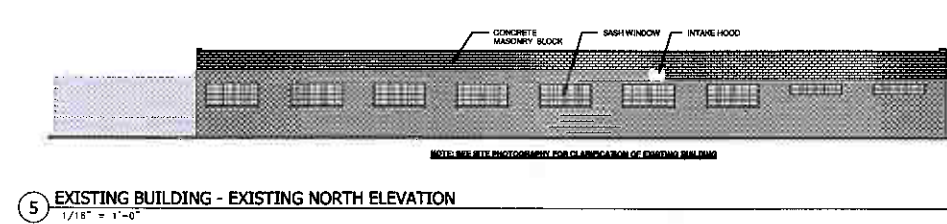
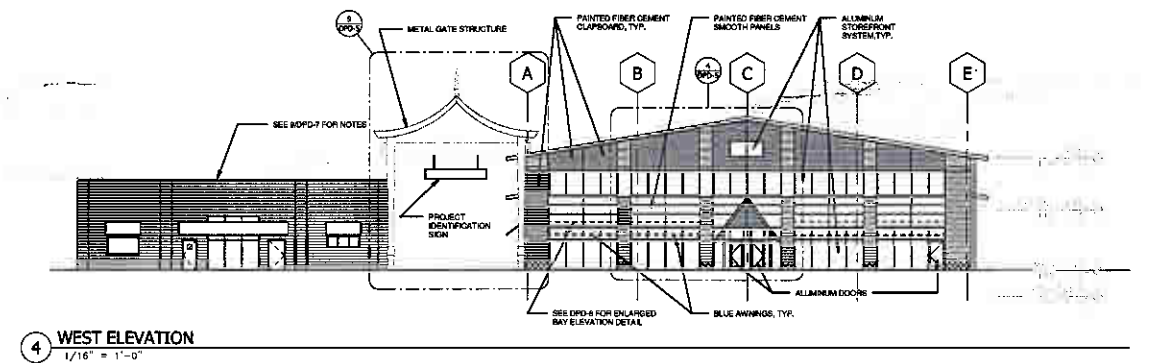
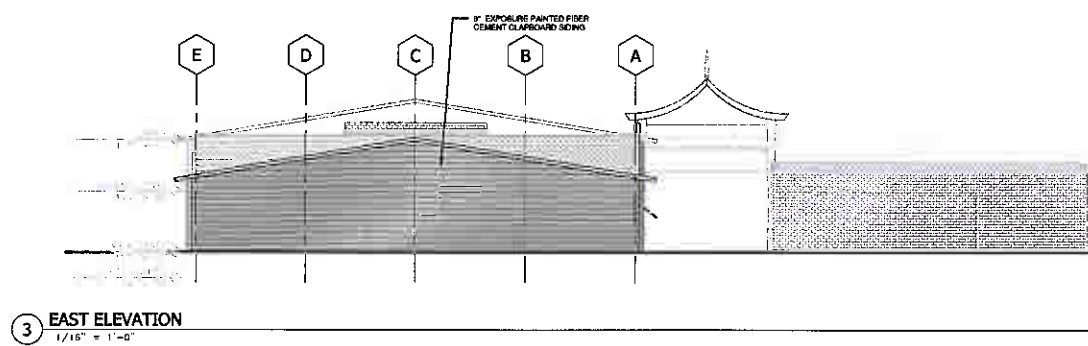
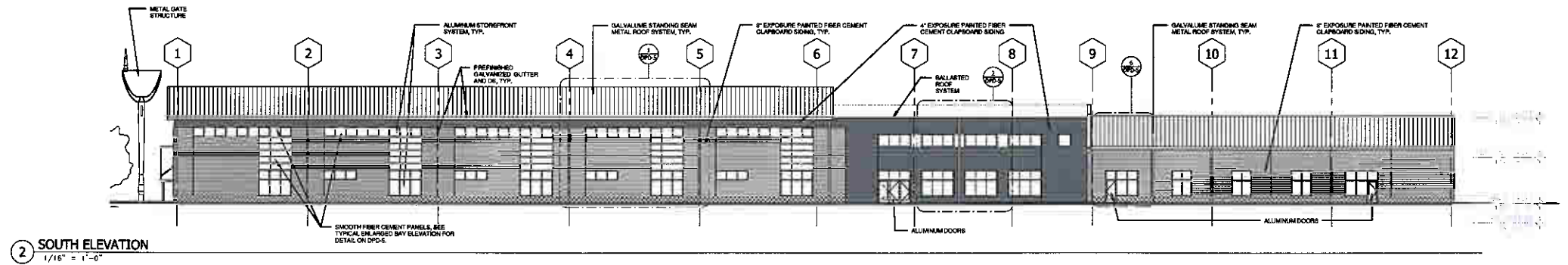
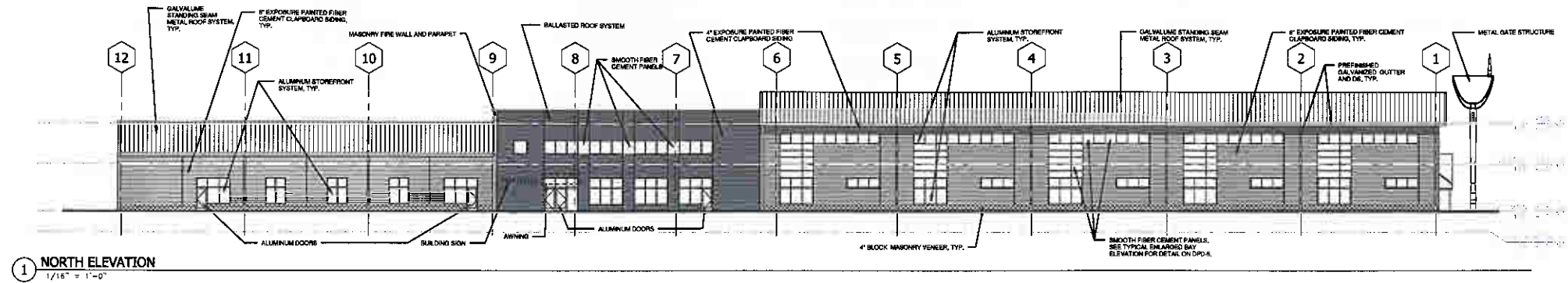
SCALE 1" = 16'-0"

DATE October 2nd, 2008

DRAWN HGA PY

PROPOSED ARCHITECTURAL
SITE PLAN

DPD-3



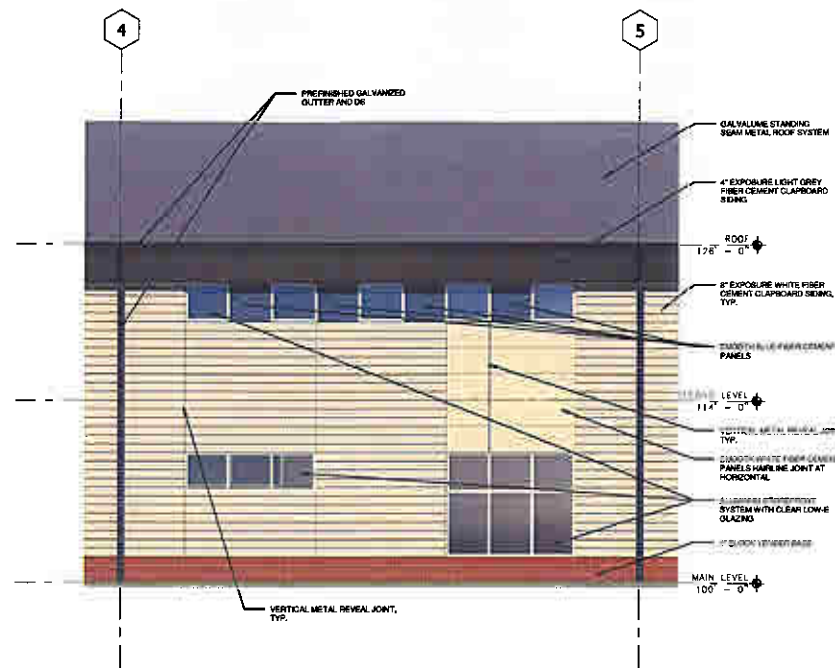
PROJECT TITLE: MILWAUKEE ASIAN MARKET
PROJECT LOCATION: 6300 N. 76TH STREET

HGA
Architecture | Engineering | Planning
Kammel, Green and Abrahamson, Inc.
332 East Erie Street
Milwaukee, Wisconsin USA 53202
Telephone 414.276.8280 Facsimile 414.276.7734

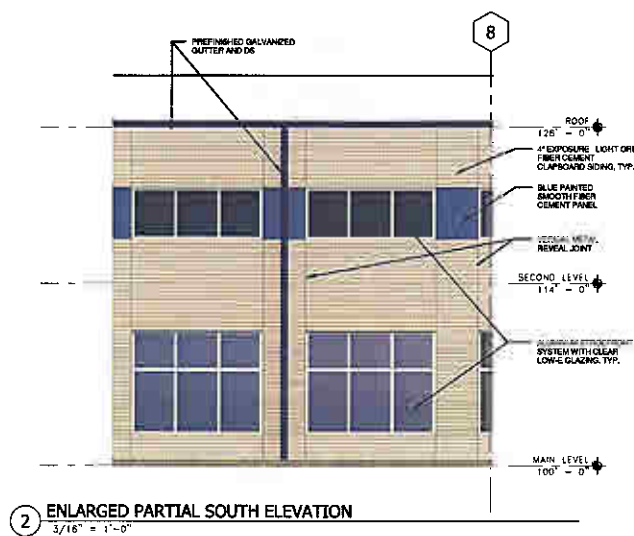
REVISION HISTORY - THIS SHEET
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DETAILED PLANNED DEV.
COMM. NO. 3095-001-00
SCALE
DATE October 2nd, 2009
DRAWN HGA PY

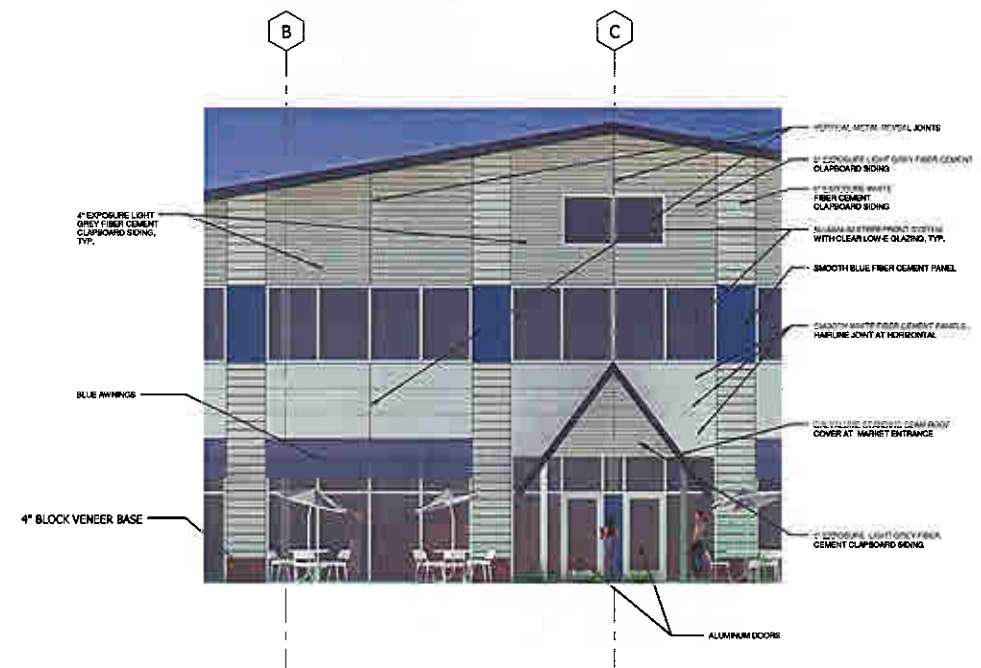
PROPOSED BUILDING ELEVATIONS
DPD-4



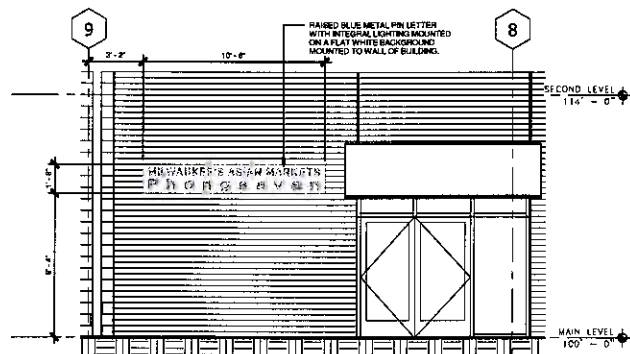
1 ENLARGED TYPICAL BAY ELEVATION
3/16" = 1'-0"



2 ENLARGED PARTIAL SOUTH ELEVATION
3/16" = 1'-0"



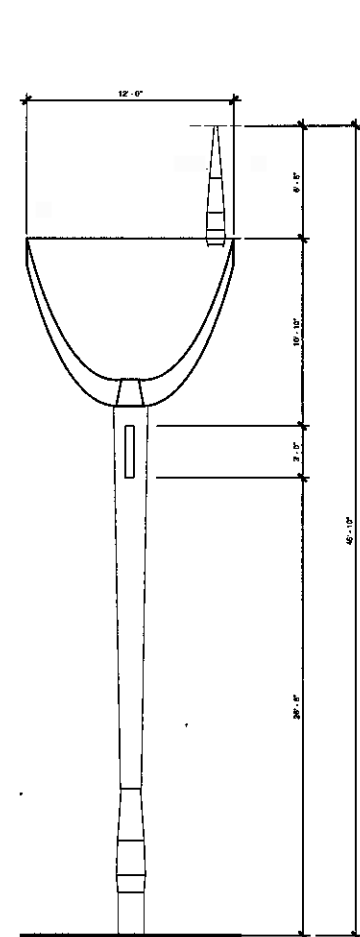
4 ENLARGED PARTIAL WEST ELEVATION
3/16" = 1'-0"



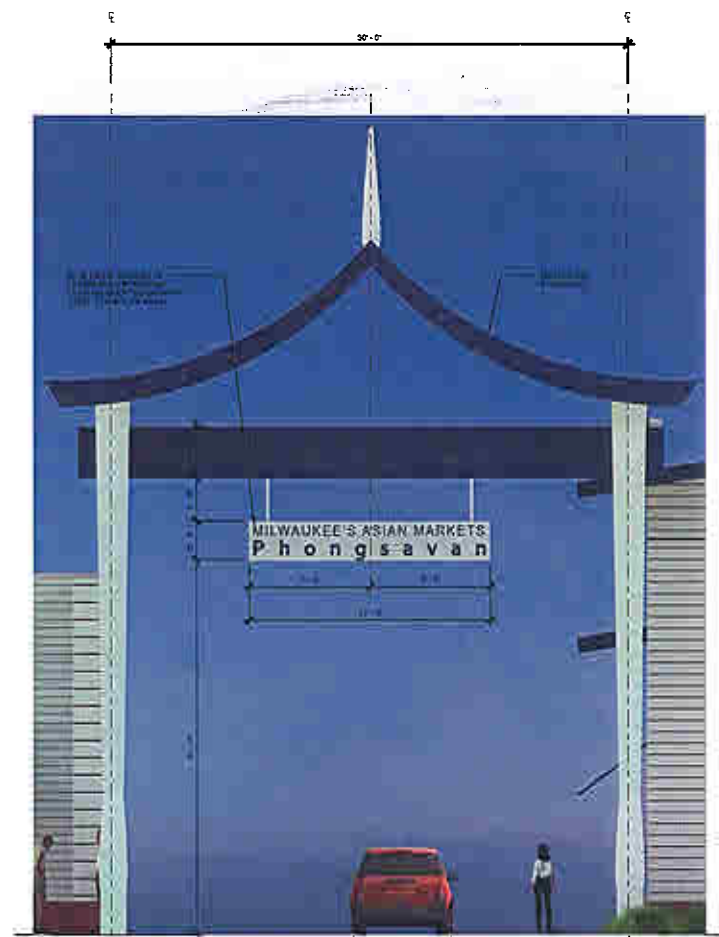
5 ENTRANCE SIGNAGE
1/4" = 1'-0"



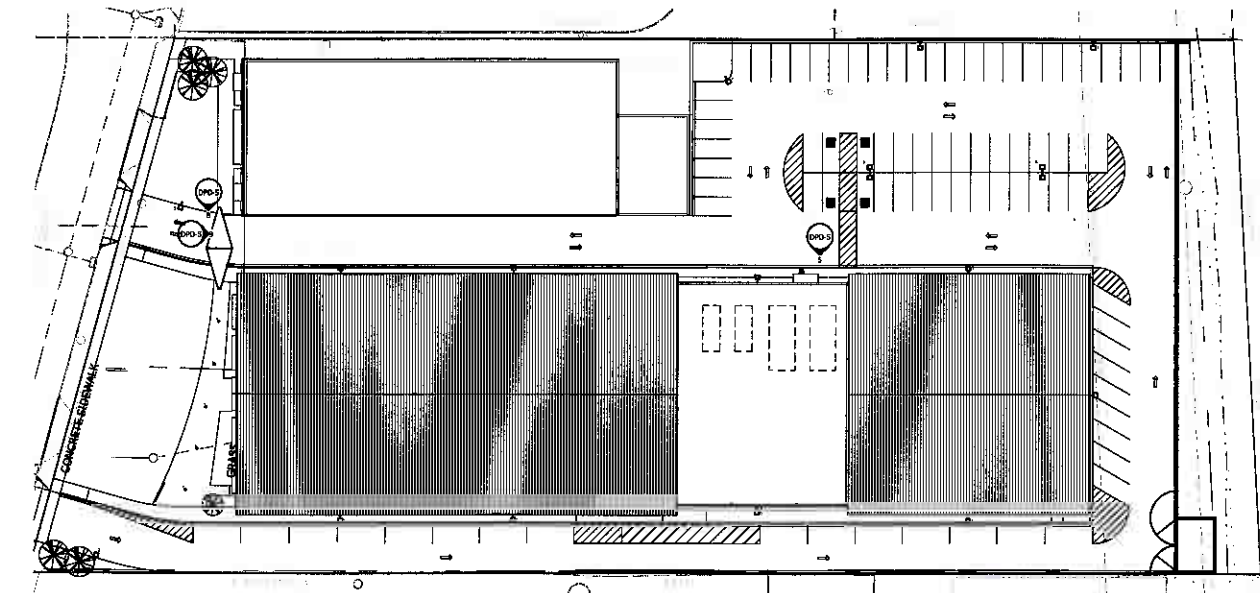
6 PARTIAL MULTI-SPACE SOUTH ELEVATION
3/16" = 1'-0"



8 GATE STRUCTURE
1/4" = 1'-0"



9 GATE STRUCTURE AND SIGNAGE
1/4" = 1'-0"



7 SITE PLAN KEY
1/32" = 1'-0"

PROJECT TITLE: MILWAUKEE ASIAN MARKET
PROJECT LOCATION: 6300 N. 76TH STREET

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REVISION HISTORY - THIS SHEET
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DETAILED PLANNED DEV.
COMM. NO. 3095-001-00
SCALE
DATE October 2nd, 2009
DRAWN HGA PY

ENLARGED ELEVATIONS,
SITE PLAN KEY, GATE AND
PROPOSED SIGNS

DPD-5



VIEW FROM 76TH STREET LOOKING NORTHEAST



VIEW LOOKING EAST



VIEW FROM SOUTHWEST CORNER OF SITE



VIEW LOOKING NORTHWEST



VIEW LOOKING NORTHEAST AT HIGH TENSION POLE



VIEW LOOKING WEST TO 76TH STREET



VIEW LOOKING WEST FROM BACK OF EXISTING BUILDING



VIEW LOOKING SOUTHWEST



VIEW OF FRONT FACADE EXISTING BUILDING



VIEW FROM 76TH STREET LOOKING SOUTHEAST



VIEW OF EXISTING BUILDING NORTH ELEVATION



VIEW LOOKING SOUTHEAST

PROJECT TITLE: MILWAUKEE ASIAN MARKET
PROJECT LOCATION: 6300 N. 76TH STREET

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REVISION HISTORY - THIS SHEET

DETAILED PLANNED DEV.
COMM. NO. 3095-001-00
SCALE
DATE October 2nd, 2009
DRAWN HGA PY

SITE PHOTOGRAPHY





DPD-6



FN 090535
IL1 to DPD
October 2009

 Proposed Zoning Change

Residential Districts

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

Commercial Districts

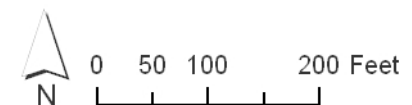
-  Neighborhood Shopping (NS1-2)
-  Local Business (LB1-2)
-  Commercial Service (CS)
-  Regional Business (RB1-2)
-  Central Business (C9A-C9H)

Industrial Districts

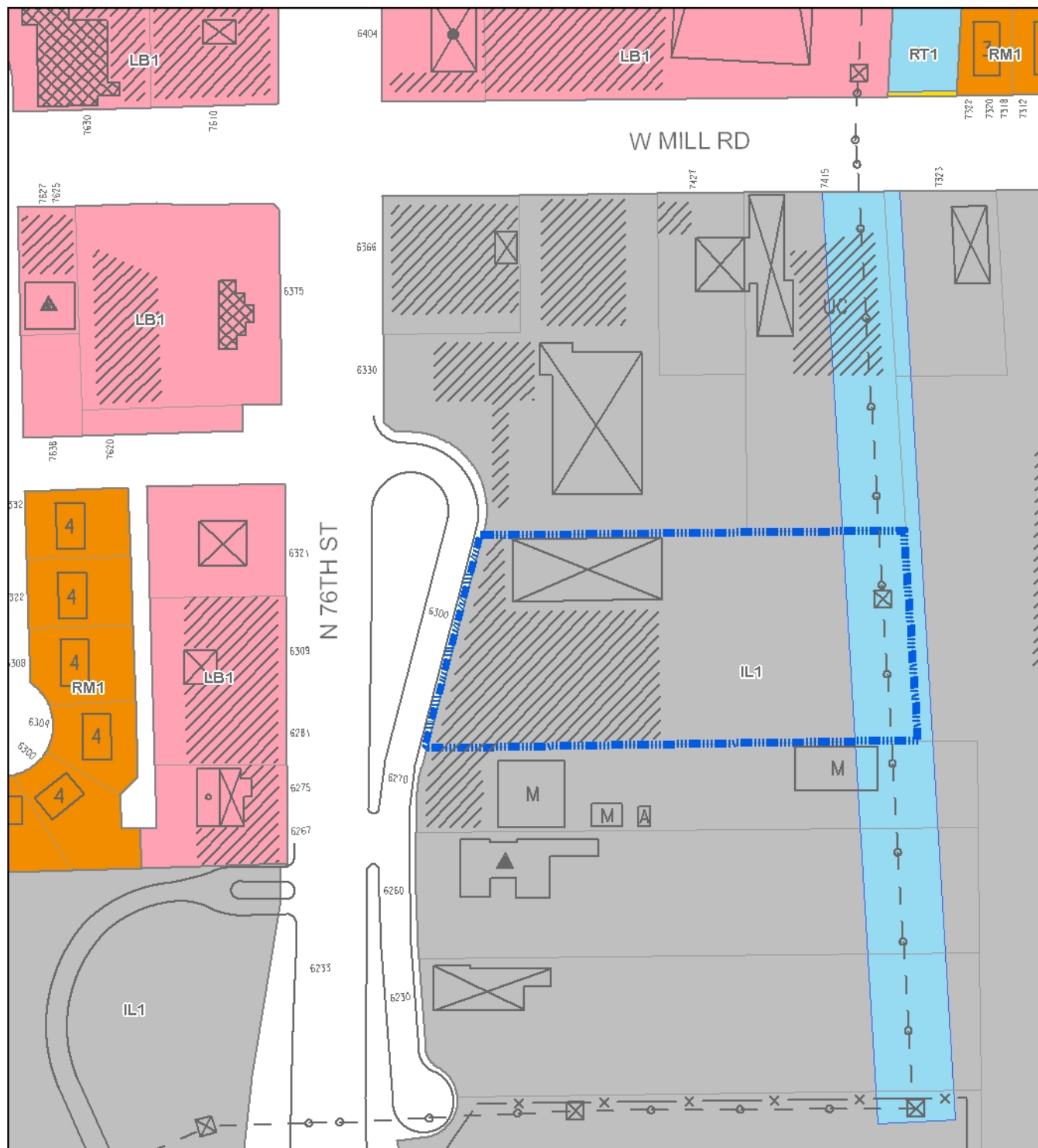
-  Industrial - Office (IO)
-  Industrial - Light (IL1-2)
-  Industrial - Mixed (IM)
-  Industrial - Heavy (IH)

Special Districts

-  Parks (PK)
-  Institutional (TL)
-  Planned Development (PD, DPD)
-  Redevelopment (RED)



Data source: Department of City Development 2009



Address of parcel(s): 6300 N 76th

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 31 day of July, 2009.

Pai Yang
Petitioner (signature)

Pai Yang
(print name, relationship to project)

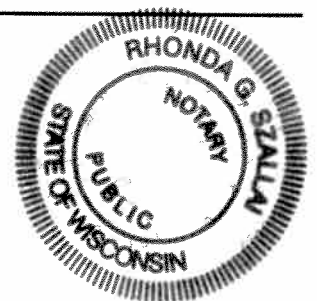
Subscribed and sworn to before me

This 31st day of July, 2009

Rhonda G. Szalai

Notary Public, State of Wisconsin

My commission expires: October 14, 2012



Office Use Only: File no. 090535

October 19, 2009

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

Dear Committee Members:

File No. 090535 relates to a change in zoning from Industrial Light (IL1) to a Detailed Planned Development known as Milwaukee's Asian Markets Phongsavan, on land located East of North 76th Street and South of West Mill Road, in the 2nd Aldermanic District.

This zoning change is requested by Pai Yang and Thai Vang and will allow for the development of the site at 6300 North 76th Street, as an Asian Market, utilizing the existing building and one building for indoor vendor space for a total of about 440 vendors of Asian products.

The existing building is on the northern portion of the site, and is one story. No interior upgrades are proposed at this time; however, the exterior north, west, and portion of the south elevations will be reclad with painted fiber cement clapboard siding to match the new building. The new building will sit on the southern portion of the site, and will be clad with painted cement clapboard siding with accent panels above a concrete block veneer base. The majority of the roof will be a sloped standing seam metal roof system. The wall openings will be an aluminum storefront system with clear low-e glazing. A retaining pond and extensive landscaping will be in front of the new building, along North 76th Street. Two-thirds of the new building will be two stories, and will become one story toward the east/back side of the site. The front/western two-story section of the building will house the vendors. The middle section of the building will have a retail food court on the first floor and office space on the second floor. The remaining one-third, one-story section of the building will be multi-purpose space.

On October 19, 2009, a public hearing was held and at that time several people were in support of the project, including Alderman Davis and a representative of the Havenwoods Business Improvement District and Economic Development Corporation. Since the proposed change complies with the recommendations of the Northwest Side Comprehensive Area Plan, the City Plan Commission at its regular meeting on October 19, 2009 recommended approval of the subject file.

Sincerely,

Rocky Marcoux
Executive Secretary
City Plan Commission of Milwaukee

cc: Ald. Joe Davis

NOTICES SENT TO FOR FILE : 090535

[illegible]



6309N76 LLC
2314 S 133RD ST
NEW BERLIN, WI 53219

KHAHRA 1 LLC
5904 W HAMPTON AVE
MILWAUKEE WI 53225

LEI HOLDINGS LLC
4423 N 109TH ST
MILWAUKEE WI 53233

MILOS LAZAREVIC
DBA MILL ROAD CAR WASH
1137 AUBURN RD
WEST BEND WI 53209

MILWAUKEE CO DEPT OF PARKS
& PUBLIC INFRASTRUCTURE
2711 W WELLS ST, #300
MILWAUKEE WI 02895

MILWAUKEE COUNTY
REGISTER OF DEEDS
907 N 10TH ST
MILWAUKEE WI 53224

PAI YANG
6405 N 87TH ST, APT 2
MILWAUKEE WI 532181204

PRIYA CORP & LAKESIDE OIL CO
7222 N TEUTONIA AV
MILWAUKEE WI 53208

REMY BATTERY COMPANY, INC
4301 WEST LINCOLN AVE
MILWAUKEE WI 53218

ROBERSON FAMILY DAY CARE
6260 N 76TH ST
MILWAUKEE WI 53702

SCOTT W SOINE
7427 W MILL RD
MILWAUKEE WI 53090

SCP 2006-C23-124 LLC
C/O STORE ACCTNG #8766
1 CVS DR
WOONSOCKET, RI 53151

ST OF WI BLDG COMM
DIV OF FACILITIES MAINTENANCE
P O BOX 7866
MADISON WI 53218

TUCKER'S GARAGE LLC
7415 W MILL RD
MILWAUKEE WI 53218

WE ENERGIES
C/O REAL ESTATE DEPT
231 W MICHIGAN ST
MILWAUKEE WI 53203

HGA ARCHITECTS
ATTN: PAO YANG
333 E ERIE ST
MILWAUKEE WI 53202

THAI VANG
4880 N 49TH ST
MILWAUKEE WI 53218

PAI YANG
6300 N 76TH ST
MILWAUKEE WI 53218

City of Waukegan Office
FN: 090535



Legislation Details (With Text)

File #: 090791 **Version:** 0

Type: Resolution **Status:** In Committee

File created: 10/13/2009 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Resolution approving Amendment No. 1 to the Project Plan for Tax Incremental District No. 56, Erie/Jefferson Street Riverwalk, in the 4th Aldermanic District.

Sponsors: THE CHAIR

Indexes: TAX INCREMENTAL DISTRICTS, TAX INCREMENTAL FINANCING

Attachments: Amendment No. 1 to Project Plan.pdf, Department of City Development Letter 10-20-09.pdf, Fiscal Note.pdf, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
10/13/2009	0	COMMON COUNCIL	ASSIGNED TO		
10/21/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number

090791

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Resolution approving Amendment No. 1 to the Project Plan for Tax Incremental District No. 56, Erie/Jefferson Street Riverwalk, in the 4th Aldermanic District.

Analysis

This resolution approves donating funds from TID No. 56 to TID No. 35, 27th/Wisconsin, and to TID No. 69, The New Avenue Commerce Center Project/24th and North. TID Nos. 35 and 69 are not generating incremental revenue and neither district has immediate prospects for redevelopment, which would produce such an increment. It is proposed that TID No. 56 donate sufficient revenue to these districts to completely retire their project costs and to cause the districts to be closed out. TID No. 56 has sufficient surplus revenue to accomplish this with donations over two years.

Body

Whereas, Chapter 105 of the Laws of 1975 of the State of Wisconsin with amendments from other chapters of said laws created Section 66.1105, Wisconsin Statutes, titled "Tax Increment Law;" and

Whereas, Boundaries and a Project Plan for Tax Incremental District ("TID") No. 56, Erie/Jefferson Street Riverwalk, were approved by the Redevelopment Authority of the City of Milwaukee ("Authority") and the Common Council of the City of Milwaukee ("Common Council") in 2004; and

Whereas, Tax Increment Law allows tax incremental districts, under certain circumstances, to donate revenues to other tax incremental districts in the same municipality and, generally, these circumstances are:

The "Donor" and the "Recipient" districts must have the same overlying taxing jurisdictions.

The amendment to donate funds must be made before the Donor district has recovered all of its project costs.

The Recipient district must have been created upon a finding that not less than 50 percent, by area, of the real property in the district is blighted, or is in need of rehabilitation; or, its project plan provided funds to create or rehabilitate low-cost housing or to remediate environmental contamination.

The Donor district, once established, cannot request or receive an extension to its life.

The amount of the donated funds may not exceed the difference between the annual tax incremental revenue collected by the Donor district and the funds needed to pay the Donor's project costs or debt service in that year.

Donations may be made for a period of five years and, upon additional approvals from the City and the Joint Review Board, may be made for an additional five years, if needed. This second amendment must be made in the fourth year of the initial five-year donation period.

; and

Whereas, Amendment No. 1 to the Project Plan for TID No. 56 proposes specific donations

to TID No. 35, 27th/Wisconsin, and to TID No. 69, The New Avenue Commerce Center Project, in such amounts necessary to fully repay their project costs and close-out both districts; and

Whereas, On October 15, 2009, pursuant to Section 66.1105(4)(h)1, Wisconsin Statutes, and following the required notice and public hearing, the Authority recommended adoption of Amendment No. 1 to the Project Plan for TID No. 56 ("Amendment No. 1"), a copy of which is attached to this Common Council File; and

Whereas, Pursuant to Section 66.1105(4)(h)1, Wisconsin Statutes, Amendment No. 1 is further subject to review by the Joint Review Board and will be submitted to the Board for review upon adoption of this resolution; now, therefore, be it

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

1. Amendment No. 1 is approved by the Common Council and is feasible and in conformity with the master plan for the City of Milwaukee ("City") and will promote the orderly development of the City.
2. 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 Amendment No. 1.
3. The City Comptroller is directed to transfer tax incremental revenue received by TID No. 56, in the amounts set forth in Amendment No. 1, to such accounts as are appropriate for TID No. 35 and TID No. 69.

Drafter

DCD:JS:js
10/13/09/A

**AMENDMENT TO PROJECT PLAN
FOR
TAX INCREMENTAL DISTRICT NO. 56

CITY OF MILWAUKEE**

Initial Joint Review Board Meeting: October 6, 2009

Public Hearing Held: October 15, 2009

Redevelopment Authority Approved: October 15, 2009

Common Council Approved:

Joint Review Board Approved:

AMENDMENT TO PROJECT PLAN

TAX INCREMENTAL DISTRICT NO. 56 (Erie Jefferson Riverwalk) CITY OF MILWAUKEE

BACKGROUND

The Tax Increment Law (Wis. Stats. Section 66.1105) allows tax increment districts, under certain circumstances, to donate revenues to other tax increment districts in the same municipality. Generally, these circumstances are:

- The “Donor” and the “Recipient” district must have the same overlying taxing jurisdictions;
- The amendment to donate funds must be made before the Donor district has recovered all of its project costs;
- The Recipient district must have been created upon a finding that not less than 50%, by area, of the real property in the district is blighted, or is in need of rehabilitation; or, its project plan provided funds to create or rehabilitate low-cost housing or to remediate environmental contamination;
- The Donor district, once established, cannot request or receive an extension to its life;
- The amount of the donated funds may not exceed the difference between the annual tax incremental revenue collected by the Donor district, and the funds needed to pay the Donor’s project costs or debt service in that year;
- Donations may be made for a period of five years, and upon additional approvals from the City and Joint Review Board, may be made for an additional five years, if needed. This second amendment must be made in the fourth year of the initial five-year donation period; and

The process of donating funds from one district to another is accomplished by the adoption of an amendment to the Donor district’s Project Plan, and is subject to approval by the Common Council, and Joint Review Board.

DONOR DISTRICT

Tax Incremental district No. 56 (Erie Jefferson Riverwalk) was approved by the Milwaukee Common Council on Sept. 23, 2004. Tax incremental revenue received from this district has totaled \$7,321,528, thru the “2008 for 2009” levy. Project costs, including principal and interest payments due, aggregate to \$6,848,916. Future project

costs are estimated at \$1,542,945, with additional interest payments of \$59,795. Future costs are for:

- Erie Street Plaza: \$575,000
- Domus Riverwalk: \$340,000
- DPW Encumbrances: \$65,913
- DPW Remaining Funds: \$562,032

Total costs are therefore estimated at \$8,451,656. Consequently, a total of \$1,130,128 is needed to be recovered from future incremental revenue. See Exhibit A for detail

The district has a statutory termination date of 2031.

Revenue generated by TID No. 56 in 2009 (from the 2008 levy) was \$2,851,400.

As set forth below, it is proposed that donations be made to two districts which have generated little or no incremental revenue and for which no private development is currently proposed.

RECIPIENT DISTRICTS

Tax Incremental District No. 35 (N. 27th & W. Wisconsin Ave.) was created as a “blighted-area” district by the Milwaukee Common Council on February 28, 1998. This district was created to fund the acquisition and clearance the vacant Maharishi Vedic University building (a former hotel) at 2601 W. Wisconsin Ave., and other properties on the block. Redevelopment plans proposed either a full-line grocery store or a mixed use project. Numerous projects have been proposed for this site, but none have come to fruition.

As of 12/08, total project costs of \$3,685,769 remained to be recovered.

TID No. 69 (New Ave. Commerce center) was created May 8, 2007 as a “blighted-area” district. This district was to fund site improvements, public improvements, and gap financing for a Lena’s grocery store and an in-line retail complex. Financing for the grocery store did not close and the project, as a whole, did not proceed. However, as an add-on to an existing contract, the City funded certain adjacent public improvements in the district, in anticipation of the project.

Project costs of \$237,929 remain to be recovered.

PROPOSED DONATIONS

Given the foregoing, and following the recovery of an amount sufficient to fund the estimated future costs in the district (\$1,542,945 and \$59,795 for interest) the following donations are proposed from TID 56:

- For a period of up to three years, TID 56 shall donate any excess incremental revenue first to TID 69 and then to TID 35 until both Recipient District's project costs are fully paid.

The 2009 incremental value for TID 56 is \$131,124,600. At a 2.4% combined tax rate, this district would generate \$3,146,990 of revenue in 2010 (from the 2009 levy).

Consequently, the donations and payments set forth above would result in the following:

	Net TID 56 Costs to be <u>Recovered</u>	Donation to <u>TID 69</u>	Donation to <u>TID 35</u>	<u>Total</u>
2010	\$ 1,130,128	\$ 237,929	\$ 1,778,933	\$ 3,146,990
2011	0	0	1,906,836	1,906,836
	<u>\$ 1,130,128</u>	<u>\$ 237,929</u>	<u>\$ 3,685,769</u>	<u>\$ 5,053,826</u>

Exhibit A: Est. of Tax Increments Needed to Recover Project Costs – August 31, 2009.

	N. 27th & W. Wisconsin TID-35	Erie/ Jefferson TID-56	New Avenue Comm. Cntr. TID-69
Expenditures	\$ 2,307,037	\$ 5,669,728	\$ 206,390
Estimated future expenditures	-	1,542,945	3,205
Lifetime-to-date interest	631,695	172,402	1,649
Add scheduled bond interest costs-			
2009 to maturity	563,701	1,044,397	16,752
2009 issue - N1	-	60,963	
Estimated future borrowing	-	59,795	
Cumulative City of Milwaukee carrying cost	172,609	(98,574)	9,933
Total project costs	\$ 3,675,042	\$ 8,451,656	\$ 237,929
Change in principal debt service requirements as a result of debt refundings	\$ 20,560	\$ -	\$ -
Net project costs to be recovered through tax increments	\$ 3,695,602	\$ 8,451,656	\$ 237,929
Tax increments levied:			
1999	\$ 8,168	\$ -	\$ -
2000	1,665	-	-
2001	-	-	-
2002	-	-	-
2003	-	-	-
2004	-	-	-
2005	-	251,120	-
2006	-	1,520,961	-
2007	-	2,698,047	-
2008	-	2,851,400	-
Total tax increments levied at December 31, 2008	\$ 9,833	\$ 7,321,528	\$ -
Net amount to be recovered through future tax increments	\$ 3,685,769	\$ 1,130,128	\$ 237,929
LTD 2008 proceeds	\$ 2,335,267	\$ 2,314,347	\$ 193,699
2009 Series N1	-	2,472,843	-
Total proceeds	\$ 2,335,267	\$ 4,787,190	\$ 193,699
Bond funded expenditures	\$ 2,307,037	\$ 5,669,728	\$ 206,390
Estimated future expenditures	-	1,542,945	3,205
Total expenditures	\$ 2,307,037	\$ 7,212,673	\$ 209,595
Proceeds needed to cover expenditures	\$ (28,230)	\$ 2,425,483	\$ 15,896
Interest expense on future borrowings		\$ 59,795	\$ 392



Department of City Development

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

Rocky Marcoux
Commissioner

Martha L. Brown
Deputy Commissioner

October 20, 2009

City of Milwaukee
Members of the Zoning, Neighborhoods
& Development Committee
200 E. Wells Street, Room 205
Milwaukee, WI 53202

Dear Committee Members:

Re: File No. 090791, Amending Project Plan for Tax Incremental
District No. 56 to provide for donations to TID No. 35 and TID No. 69

This resolution approves an amendment to Tax Incremental District No. 56 (Erie Street/Jefferson Street Riverwalk) to donate funds to TID No. 35 (North 27th and West Wisconsin Avenue) and TID No. 69 (New Avenue Commerce Center/24th and West North Avenue).

DONOR DISTRICT

Tax Incremental District No. 56 was approved in 2004. Tax incremental revenue received from this district has totaled \$7,321,528, thru the "2008 for 2009" levy. Project costs, including principal and interest payments due, aggregate to \$6,848,916. Future project costs are estimated at \$1,542,945, with additional interest payments of \$59,795. Future costs are for:

- Erie Street Plaza: \$575,000
- Domus Riverwalk: \$340,000
- DPW Encumbrances: \$65,913
- DPW Remaining Funds: \$562,032

Total costs are, therefore, estimated at \$8,451,656. Consequently, a total of \$1,130,128 is needed to be recovered from future incremental revenue. See Exhibit A of the Amendment for detail.

The district has a statutory termination date of 2031.

Revenue generated by TID No. 56 in 2009 (from the 2008 levy) was \$2,851,400.

It is proposed that donations be made to two districts, which have generated little or no incremental revenue and for which no private development is currently proposed.

RECIPIENT DISTRICTS

TID No. 35 (North 27th and West Wisconsin Avenue) was created as a "blighted-area" district by the Milwaukee Common Council in 1998. This district was created to fund the acquisition and clearance of the vacant Maharishi Vedic University building (a former hotel) at 2601 West Wisconsin Avenue, and other properties on the block. Redevelopment plans proposed either a full-line grocery store or a mixed-use project. Numerous projects have been proposed for this site, but none have come to fruition.

As of August 31st, total project costs of \$3,685,769 remained to be recovered. This includes approximately \$1,200,000 for acquisition, relocation, remediation and site preparation costs; approximately \$796,000 of demolition costs; and, \$1,368,000 of interest expense.

TID No. 69 (New Avenue Commerce Center) was created in 2007 as a "blighted-area" district. This district was to fund site improvements, public improvements and gap financing for a Lena's grocery store and an in-line retail complex. Financing for the grocery store did not close and the project, as a whole, did not proceed. However, as an add-on to an existing public works contract, the City funded certain adjacent public improvements in the district, in anticipation of the project.

Project costs of \$237,929 remain to be recovered.

PROPOSED DONATIONS

Given the foregoing, and following the recovery of an amount sufficient to fund the estimated future costs in the district (\$1,542,945 and \$59,795 for interest) the following donations are proposed from TID No. 56:

- For a period of up to three years, TID No. 56 shall donate any excess incremental revenue first to TID No. 69 and then to TID No. 35 until both Recipient District's project costs are fully paid.

The 2009 incremental value for TID No. 56 is \$131,124,600. At a 2.4% combined tax rate, this district would generate \$3,146,990 of revenue in 2010 (from the 2009 levy).

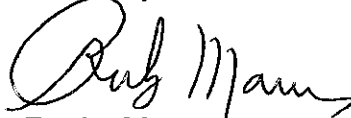
Consequently, the donations and payments set forth above would result in the following:

	Net TID 56 Costs to be <u>Recovered</u>	Donation to <u>TID 69</u>	Donation to <u>TID 35</u>	<u>Total</u>
2010	\$ 1,130,128	\$ 237,929	\$ 1,778,933	\$ 3,146,990
2011	0	0	1,906,836	1,906,836
	<u>\$ 1,130,128</u>	<u>\$ 237,929</u>	<u>\$ 3,685,769</u>	<u>\$ 5,053,826</u>

The City has previously adopted similar amendments for the purposes of donating to districts, which were not performing or were generating revenue insufficient to amortize their respective costs within the legal lives of the projects. TID No. 5 (Milwaukee Center) donated funds to TID No. 20 (Florida Yards), TID No. 21 (North Avenue Commerce Center) and TID No. 30 (Westtown Village/Library Hill). TID No. 47 (875 West Wisconsin Avenue) donated to TID No. 20 and to TID No. 21.

We recommend approval of this amendment. Upon retirement of the project costs for TID No. 35 and for TID No. 69, we propose to dissolve the districts.

Sincerely,



Rocky Marcoux
Commissioner

c: W. Morics/M. Daun/C. Kammholz
J. Scherer/S. Rotar/A. Remington/R. Wruck
T. Balata - Milwaukee County
R. Vavrik - MPS
M. Sargent - MATC
M. Nicolini - City of Milwaukee
R. Rondini - RACM

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

OCTOBER 27, 2009

Item 2, File #090791

File Number 090785 is a resolution approving the donation of tax incremental revenues from Tax Incremental District No. 56 (Erie/Jefferson Riverwalk) to Tax Incremental District No. 35 (27th & Wisconsin) and No. 69 (New Avenue Commerce Center).

Background

1. Tax Incremental District (“TID”) No. 56 (Erie/Jefferson Riverwalk) was created in 2004 to provide funding for street improvements to E. Erie Street from Broadway to the harbor entrance and to provide financial assistance for riverwalk improvements in this area. At the present time, a total of \$1,130,128 of the district’s project costs need to be recovered from future tax incremental revenue. Tax incremental revenue generated by TID No. 56 from the most recent levy was \$2,851,400. Therefore, the district is likely to be closed out in 2010, well in advance of the statutory termination date of 2031.
2. TID No. 35 (27th & Wisconsin) was created in 1998 to fund redevelopment of the 2 blocks bounded by Wisconsin Avenue, Michigan Street, 26th Street and 27th Street. The project plan called for land assembly and clearance of all existing structures on the east block. That block was eventually cleared, but, to date, no new development has occurred on the site. Total project costs remaining to be recovered are \$3,685,769. The district has a negative incremental value.
3. TID No. 69 (New Avenue Commerce Center) was created in 2007 to fund new retail development, including a Lena’s grocery store, in the 2-block area bounded by Meinecke Avenue, North Avenue, 24th Street and 25th Street. Since adoption of the project plan for the district, Lena’s has been unable to secure financing for its portion of the development, which remains stalled. Project costs that need to be recovered total \$237,929. The district has not experienced any increment in value.
4. Wisconsin’s Tax Incremental Law (s. 66.1105, Wis. Stats.) allows tax incremental districts, under certain circumstances, to donate revenues to other tax incremental districts in the same municipality. If the statutory conditions are met, the donation is accomplished by amending the donor district’s project plan. The Department of City Development has determined that TIDs 56, 35 and 69 meet the statutory requirements for donor and recipient tax incremental districts.

Discussion

1. This resolution approves an amendment to the project plan for TID No. 56 to allow for the donation of tax incremental revenues received by that district to TID Nos. 35 and 69. Specifically, the amendment provides for TID No. 56 to donate, for a period of up to 3 years, any excess incremental revenue first to TID No. 35 and then to TID No. 69, until both recipient districts’ project costs are fully paid. This will allow both recipient districts to be closed out before their statutory deadlines.

2. It is anticipated that the incremental revenue from TID No. 56 will be sufficient to recover that district's outstanding project costs (\$1,130,128), as well as all project costs of TID Nos. 35 and 69 (totaling \$3,923,698), in 2010 and 2011 (taxes levied in 2009 and 2010).
3. The Joint Review Board held an informational meeting on the proposed amendment on October 6, 2009; no objections to the amendment were expressed. The Redevelopment Authority held a public hearing on the amendment and recommended approval at its October 15, 2009, meeting.

Fiscal Impact

1. This resolution authorizes no new City expenditures. It directs the City Comptroller to transfer tax incremental revenue received by TID No. 56 to the appropriate accounts for TID Nos. 35 and 69.
2. To the extent that it postpones the closing-out of TID No. 56 (most likely for 2 years), this resolution has a fiscal impact on the City and the other taxing jurisdictions by delaying the time when tax revenues from the value increment in the district can be distributed to these taxing jurisdictions. On the other hand, it allows the City to fully recover its expenditures on project costs in TID Nos. 35 and 69.

Prepared by: Jeff Osterman, x2262
LRB-Research & Analysis Section
October 23, 2009

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

CITY OF MILWAUKEE FISCAL NOTE

A) DATE 10/22/09

FILE NUMBER: 090791

Original Fiscal Note ☒ Substitute ☐

SUBJECT: Resolution approving Amendment No. 1 to the Project Plan for Tax Incremental District No. 56, Erie/Jefferson Street 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.
☐ 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:	Tax Incremental District No. 56			\$3,923,698	
TOTALS				\$3,923,698	

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:

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE ☐

NOTICES SENT TO FOR FILE : 090791

[illegible]



Legislation Details (With Text)

File #: 090790 **Version:** 0

Type: Communication-Report **Status:** In Committee

File created: 10/13/2009 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Communication from the Department of City Development relating to the Neighborhood Improvement Development Corporation's annual report regarding use of Kilbourn Tower Settlement Agreement funds.

Sponsors: THE CHAIR

Indexes: DEPARTMENT OF CITY DEVELOPMENT, REPORTS AND STUDIES

Attachments: Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
10/13/2009	0	COMMON COUNCIL	ASSIGNED TO		
10/21/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number

090790

Version

ORIGINAL

Reference

080539

Sponsor

THE CHAIR

Title

Communication from the Department of City Development relating to the Neighborhood Improvement Development Corporation's annual report regarding use of Kilbourn Tower Settlement Agreement funds.

Drafter

DCD:MP:mp

10/13/09/A

NOTICES SENT TO FOR FILE : 090790

[illegible]



Legislation Details (With Text)

File #: 090687 **Version:** 0

Type: Resolution **Status:** In Committee

File created: 9/22/2009 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Resolution authorizing additional funding for Tax Incremental District No. 48, Park East, and approving the terms of a Development Agreement for the property located at 1141 North Old World Third Street, in the 4th Aldermanic District.

Sponsors: ALD. BAUMAN

Indexes: AGREEMENTS, TAX INCREMENTAL DISTRICTS, TAX INCREMENTAL FINANCING

Attachments: Proposed Substitute A, Term Sheet as of 9-22-09, Updated Economic Feasibility Study as of 9-22-09.pdf, Park East TID 48 Adjustment-Moderne Project, Term Sheet as of 10-21-09, Economic Feasibility Study, Fiscal Analysis, Substitute Fiscal Note, Fiscal Note, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/22/2009	0	COMMON COUNCIL	ASSIGNED TO		
10/21/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number

090687

Version

ORIGINAL

Reference

Sponsor

ALD. BAUMAN

Title

Resolution authorizing additional funding for Tax Incremental District No. 48, Park East, and approving the terms of a Development Agreement for the property located at 1141 North Old World Third Street, in the 4th Aldermanic District.

Analysis

This resolution approves the terms of a Development Agreement and increases the funding of TID No. 48 by \$11,700,000 for the purpose of providing loans for construction of the Moderne, providing funds for construction of a public park and providing funds for administration costs associated with the TID.

Body

Whereas, The Common Council of the City of Milwaukee ("Common Council") approved the creation of Tax Incremental District No. 48 ("TID No. 48" or "TID") on March 5, 2002, via File No. 011182 and amended such TID on May 3, 2005, via File No. 041514 and increased the funding of such TID on April 9, 2008 via File No. 071392 and again on May 27, 2009 via File No. 081717; and

Whereas, The Common Council, in accordance with Section 304-93 of the Milwaukee Code of Ordinances and the Updated Economic Feasibility Study for TID No. 48 (a copy of which is attached to this Common Council File), desires to provide funding sufficient to cover all TID No. 48 improvement costs, including public open space, direct assistance to private projects in the form of loans and city administration in accordance with the Project Plan; and

Whereas, The Common Council, in accordance with Section 304-93 of the Milwaukee Code of Ordinances and the Updated Economic Feasibility Study for TID No. 48, desires to enter into a Development Agreement among the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee and the Moderne LLC to provide a Completion Loan in the amount of \$6,000,000 and a Mezzanine Loan in the amount of \$4,000,000 for the proposed Moderne project in accordance with a Term Sheet (a copy of which is attached to this Common Council File); and

Whereas, The Commissioner of the Department of City Development has the discretion to reallocate up to \$500,000 between the two loans; and

Whereas, The Common Council, in accordance with Section 304-93 of the Milwaukee Code of Ordinances and the Updated Economic Feasibility Study for TID No. 48, desires to provide \$1,700,000 for the design and construction of a public park and city administration of the Park East TID, over the life of the TID; and

Whereas, The Updated Economic Feasibility Study demonstrates that the proposed Moderne project combined with other constructed redevelopment projects and inflation on non-active parcels in the TID, is projected to generate sufficient revenues to TID No. 48 to fully amortize \$32,942,328 bond issuance costs by 2025 (TID Year 24); and

Whereas, Funds expended and provided to date are in the amount of \$21,213,096, plus capitalized interest, and will be increased to \$32,942,328, plus capitalized interest, which includes the projects within the Updated Economic Feasibility Study; now, therefore, be it

Resolved, That the Common Council of the City of Milwaukee, authorizes an increase in

funding totaling \$11,700,000 and approves the Term Sheet for the Moderne Development Agreement; and, be it

Further Resolved, That the Common Council authorizes up to, not to exceed, \$10,000,000 in the form of loans for the Moderne project and a total of \$1,700,000 for the public space and for administration; and, be it

Further Resolved, That the TID No. 48 expenditure limit is established at \$32,942,328, plus capitalized interest; and, be it

Further Resolved, That the project costs relate directly to promoting development consistent with the City's Master Plan and with the purpose(s) for which the TID is created under Section 66.1105(4) (gm)4.a., Wisconsin Statutes; and, be it

Further Resolved, That the City Comptroller is directed to transfer the sum of \$11,700,000, plus capitalized interest, from the Parent TID Account to Project Account No. TDO4880000, raising the Project Account to \$32,942,328, plus capitalized interest, for the purpose of providing funds necessary to implement the Project Plan; and, be it

Further Resolved, That the Commissioner of the Department of City Development is directed to enter into contracts and agreements necessary to carry out said improvements.

Drafter

DCD:AR:ar

09/22/09/A

..Number
090687
..Version
PROPOSED SUBSTITUTE A
..Reference

..Sponsor
ALD. BAUMAN

..Title
Substitute resolution authorizing additional funding for Tax Incremental District No. 48, Park East, and approving the terms of a Development Agreement for the property located at 1141 North Old World Third Street, in the 4th Aldermanic District.

..Analysis
This substitute resolution approves the terms of a Development Agreement and increases the funding of TID No. 48 by \$11,000,000 for the purpose of providing loans for construction of The Moderne, providing funds for construction of a public park and providing funds for administration costs associated with the TID.

..Body
Whereas, The Common Council of the City of Milwaukee ("Common Council") approved the creation of Tax Incremental District No. 48 ("TID No. 48" or "TID") on March 5, 2002, via File No. 011182, and amended such TID on May 3, 2005, via File No. 041514, and increased the funding of such TID on April 9, 2008, via File No. 071392, and again on May 27, 2009, via File No. 081717; and

Whereas, The Common Council, in accordance with Section 304-93 of the Milwaukee Code of Ordinances and the Updated Economic Feasibility Study for TID No. 48, a copy of which is attached to this Common Council File, desires to provide funding sufficient to cover all TID No. 48 improvement costs, including public open space, direct assistance to private projects in the form of loans and city administration in accordance with the Project Plan; and

Whereas, The Common Council, in accordance with Section 304-93 of the Milwaukee Code of Ordinances and the Updated Economic Feasibility Study for TID No. 48, desires to enter into a Development Agreement among the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee and The Milwaukee Moderne, LLC, to provide a Completion Loan in the amount of \$6,000,000 and a Mezzanine Loan in the amount of \$3,300,000 for the proposed Moderne project in accordance with a Term Sheet, a copy of which is attached to this Common Council File; and

Whereas, The Commissioner of the Department of City Development has the discretion to reallocate up to \$500,000 between the two loans; and

Whereas, The Common Council, in accordance with Section 304-93 of the Milwaukee Code of Ordinances and the Updated Economic Feasibility Study for TID No. 48, desires to provide \$1,700,000 for the design and construction of a public park and city administration of the Park East TID, over the life of the TID; and

Whereas, The Updated Economic Feasibility Study demonstrates that the proposed Moderne project combined with other constructed redevelopment projects and inflation on non-active parcels in the TID, is projected to

generate sufficient revenues to TID No. 48 to fully amortize \$32,260,741 in net bond proceeds by 2025 (TID Year 24); and

Whereas, Funds expended and provided to date are in the amount of \$21,242,328, plus capitalized interest, and will be increased to \$32,260,741, plus capitalized interest, which includes the projects within the Updated Economic Feasibility Study; now, therefore, be it

Resolved, That the Common Council of the City of Milwaukee, authorizes an increase in funding totaling \$11,000,000 and approves the Term Sheet for The Moderne Development Agreement; and, be it

Further Resolved, That the Common Council authorizes up to, not to exceed, \$9,300,000 in the form of loans for The Moderne project and a total of \$1,700,000 for the public space and for administration; and, be it

Further Resolved, That the TID No. 48 expenditure limit is established at \$32,260,741, plus capitalized interest; and, be it

Further Resolved, That the project costs relate directly to promoting development consistent with the City's Master Plan and with the purpose(s) for which the TID was created under Section 66.1105(4) (gm)4.a., Wisconsin Statutes; and, be it

Further Resolved, That the City Comptroller is directed to transfer the sum of \$11,000,000, plus capitalized interest, from the Parent TID Account to Project Account No. TDO4880000, raising the Project Account to \$32,260,741, plus capitalized interest, for the purpose of providing funds necessary to implement the Project Plan; and, be it

Further Resolved, That the Commissioner of the Department of City Development is directed to enter into contracts and agreements as necessary to carry out said improvements.

..Drafter

DCD:AR:ar

10/21/09

Term Sheet
Moderne Project
Loan Agreement Between Milwaukee Moderne, LLC and the City of Milwaukee
September 2009

<u>Project:</u>	<p>The City of Milwaukee will fund two project loans to assist with the development of the Moderne mixed-use project located at the southwest corner of Juneau Avenue and Old World Third Street in the Park East Corridor. The loans will be funded from borrowing supported by the Park East Tax Increment District (“TID”).</p> <p>The Moderne Project (“Project”) is a 30-story high-rise structure containing:</p> <ul style="list-style-type: none"> • 14 for-sale luxury condominium units; • 203 for rent luxury apartment units; • 204 above ground, structured parking spaces; and • 7,230 Square feet of street level retail <p>Total Project costs are estimated at \$55.2 million.</p>
<u>Developer/ Borrower:</u>	<p>Milwaukee Moderne, LLC, a Wisconsin limited liability company managed by Rick Barrett.</p>
<u>Zoning/Design Review:</u>	<p>The Project is within the Park East Redevelopment Boundary/RED Zoning and is subject to, and being developed in accordance with, the standards required by these regulatory documents.</p>
<u>Development Schedule:</u>	<p>Construction shall commence by January 1, 2010. The Developer shall secure a Certificate of Occupancy and reach Project completion within 24 months of construction commencement.</p>
<u>Project Budget:</u>	<p>Total project budget is approximately \$55.2 million. Estimated total sources include:</p> <ul style="list-style-type: none"> • Approximately \$41.4 million in 221(d)4 loan proceeds funded by CAPMARK • Approximately \$3.75 million in equity from the Developer • \$10 million in City Loans as described below

<p><u>Senior Loan:</u></p>	<p>The primary financing for the Project will be a HUD 221(d)4-enhanced senior loan (“Senior Loan”) in an amount to be determined through final sizing, but not to exceed \$41.4 million, funded by CAPMARK. The term of this loan will be the construction period plus 480 months of amortization.</p> <p>Payments will be interest-only during the construction period, funded from a capitalized interest reserve. After completion, level monthly debt service payments commence such that the loan would be fully amortized over 480 months. These payments also we include a mortgage insurance charge equal to 45 basis points on the principal amount of the loan.</p>
<p><u>City Loans:</u></p>	<p>The City intends to negotiate a Development Agreement with the Developer to provide TID assistance for the Project. Subject to completion of due diligence and satisfaction of all closing and funding conditions, the City, through the Redevelopment Authority of the City of Milwaukee (“RACM”) intends to provide two TID-funded loans in amounts not to exceed:</p> <ul style="list-style-type: none"> • \$4.0 million in Mezzanine Loan funds • \$6.0 million in Completion Loan funds <p>These loans will be disbursed during the construction period through a process to be coordinated with the disbursement of the Senior Loan. The City will subordinate its collateral position and assignment of lease income for the apartment/retail/parking component of the project to the lender providing the Senior Loan.</p> <p>Subject to final underwriting and coordination with the Senior Loan parameters, the Commissioner of City Development may reallocate up to \$500,000 from the Mezzanine Loan to the Completion Loan and modify the term of the Completion Loan by up to 10 months.</p> <p>Unless otherwise specified in this Term Sheet, the terms of the City loans may in RACM’s discretion match those of the Senior Loan with respect to defaults and other provisions. The City/RACM intend to reasonably tailor the City Loan documents to match the required parameters of the Senior Loan with respect to payment timing, subordination, and other issues.</p>
<p><u>Definition of Available Cash to Pay City Loans (“Available Cash”):</u></p>	<p>Available Cash shall be defined as the sum of:</p> <ul style="list-style-type: none"> • All revenues to project from leases of apartments, retail, and parking

- All condominium sales revenues (net of third party commissions, sales expenses, and closing costs)
- All releases of funds from reserves set aside for operating shortfalls, working capital, or construction period expenses

Less

- Operating expenses paid to third parties not affiliated with the Developer or its affiliates
- Operating/Replacement reserves totaling no more than HUD minimums for the 221(d)4 program per year (provided such reserves are used to the maximum allowable extent to cover operating expenses)
- Scheduled debt service or other required payments on the Senior Loan
- Priority payment of condominium sale revenues on the mezzanine and completion loans

For the purposes of this calculation, internal Developer costs (defined as payments of fees or expenses to the Developer or its affiliates other than the Developer Fee described below during the construction period) shall be disallowed.

Mezzanine Loan Parameters:

Repayment: Interest shall accrue until such time as funds are available for repayment, at which time monthly payments shall commence. Payments shall be applied first to accrued interest and then to unpaid principal. Repayable with first priority from 100% of net Condominium sales proceeds (net of third party commissions, sales expenses, and closing costs) and second priority from 100% of Available Cash from apartments, parking, and retail components of project. Repayment shall commence upon the earlier of construction completion or the availability of Available Cash. Developer shall neither make distributions of profit nor utilize Available Cash for any purpose other than servicing City debt while the Mezzanine Loan is outstanding.

Security:

- A first mortgage on the condominium portion of the Project;
- A second mortgage on the apartment/retail/parking portion of the Project and second priority assignment of leases and rents from the Borrower
- 50% of the Developer's ownership interest in the Project

Interest Rate and Accrual: Interest shall be calculated monthly based on a 360 day year consisting of twelve 30-day months on the disbursed unpaid principal and accrued interest balances. The annual interest rate shall be the greater of 14% or 21.15% less the Completion Loan interest rate.

	<p>Interest shall accrue on unpaid principal and interest.</p> <p><u>Term:</u> 48 months from the initial disbursement of funds. The full principal balance and accrued interest shall become immediately due and payable in the event of a refinancing of the Primary Debt or Sale of the Project unless RACM chooses to waive this condition.</p> <p><u>Disbursement Timing:</u> Mezzanine Loan may be drawn prior to Senior Loan and Completion Loan after 100% of Developer equity has been expended for the Project.</p> <p><u>Prepayment:</u> Borrower may prepay the Mezzanine Loan in whole or in part at any time, without penalty or premium.</p>
<p><u>Completion Loan Parameters:</u></p>	<p><u>Repayment:</u> Interest shall accrue until such time as funds are available for repayment, at which time monthly payments shall commence. Payments shall be applied first to accrued interest and then to unpaid principal. Repayable with second priority from 100% of Condominium sales proceeds and third priority from 100% of Available Cash as defined below from apartments, parking, and retail components of project. Repayment shall commence upon construction completion. Developer shall neither make distributions of profit nor utilize Available Cash for any purpose other than servicing City debt while the Mezzanine Loan is outstanding.</p> <p><u>Security:</u></p> <ul style="list-style-type: none"> • A first mortgage on the condominium portion of the Project; • A second mortgage on the apartment/retail/parking portion of the Project and second priority assignment of leases and rents from the Borrower • Personal guarantees from Rick Barrett and Tan Lo <p><u>Interest Rate and Accrual:</u> Interest shall be calculated monthly based on a 360 day year consisting of twelve 30-day months on the disbursed unpaid principal and accrued interest balances. The annual rate of interest shall be set equal to that of the Senior Loan.</p> <p><u>Term:</u> 48 months from the initial disbursement of funds. The full principal balance and accrued interest shall become immediately due and payable in the event of a refinancing of the Primary Debt or Sale of the Project unless RACM chooses to waive this condition.</p> <p><u>Disbursement Timing:</u> Completion Loan may be drawn starting upon the later of Month 12 of construction or October 2010, provided over 50% of</p>

	<p>the Senior loan has been drawn.</p> <p><u>Prepayment:</u> Borrower may prepay the Completion Loan in whole or in part at any time, without penalty or premium, provided the Mezzanine Loan has first been fully repaid.</p>
<u>Developer Equity:</u>	<p>The Developer will provide evidence of at least \$3.75 million of cash equity expenditures by Developer entity in direct furtherance of the project.</p> <p>Developer equity includes the following:</p> <ul style="list-style-type: none"> • Land acquisition costs • Consolidation of ownership of the Developer entity • Developer out-of-pocket expenses to construct and maintain the sales center • Payments to third party professional service providers for predevelopment activities such as architecture, engineering, etc. • City permitting/approval costs • Property tax and carry cost for the Project site • Developer out-of-pocket overhead costs • Cash deposited in the construction escrow or otherwise committed to the project to fund post-closing costs prior to disbursement of the City or Senior loans
<u>Developer Fee:</u>	<p>Developer Fees shall be limited to \$1.72 million. With the exception of \$200,000 that may be paid with the first construction draw, Developer Fee may be paid no faster than pro rata with construction progress as measured by disbursements against the project budget for hard costs.</p>
<u>Conditions to Closing/Disbursement of City Loans:</u>	<p>Preconditions to closing of City Loans to the Developer shall include, but not be limited to:</p> <ul style="list-style-type: none"> A. <u>Design Review.</u> The City of Milwaukee shall have approved the final plans and specifications for the Project, and issued permits for building construction. B. <u>Evidence of Financing.</u> Developer must provide evidence that, together with the City Loans, sufficient Senior Debt and Developer equity are committed (and all preconditions to funding satisfied) to pay for the costs of the Project. C. <u>Appraisal.</u> RACM is to be provided an appraisal of the Project

	<p>real property evidencing an appraised value of at least \$48.5 million or additional equity and collateral will be required.</p> <p>D. <u>Insurance.</u> Borrower is to provide RACM with evidence of Insurance for all coverage customary for RACM. This will include hazard insurance.</p> <p>E. <u>Title.</u> Borrower is to provide evidence of title insurance naming RACM as mortgagee on Project property.</p> <p>The proceeds of the Loan shall be disbursed pursuant to the terms of a Disbursing Agreement by and among the holder of the Primary Debt, Borrower, RACM and such other parties as the holder of the Primary Debt may reasonably designate. The City and RACM anticipate that disbursements of City Loans will occur using the same title company as the Senior lender.</p> <p>Retainage for the Completion Loan shall be set equal to that of the Senior Loan. The Mezzanine Loan shall not bear a retainage requirement.</p>
<p><u>Profit Sharing:</u></p>	<p>The City will receive payments out of the sale, refinance, or condominium conversion and sale proceeds of the project as follows:</p> <p>Upon sale or refinance of the Project and/or sale of any condominium units over and above the 14 units currently planned, the Developer shall provide to the City sufficient information to calculate the Project annual internal rate of return (IRR) on equity. If, upon the sale or refinance event, this return will exceed 20%, the City will share in 50% of net sale/refinance proceeds over and above the level necessary to achieve this 20% threshold. For the purposes of this IRR calculation, internal Developer costs (defined as payments of fees or expenses to the Developer or its affiliates) shall be limited to the lesser of actual expenditures or \$2.2 million of Developer fees and overhead during the Development phase. Internal Developer costs shall include but not be limited to salaries/payroll allocation, developer fees, general/administrative and overhead, reserves, and payments of leasing fees to affiliates. Internal costs in excess of this percentage shall be disregarded for IRR calculation purposes.</p> <p>This provision shall remain in effect until both City Loans are fully repaid, and shall include all calculations and/or distributions of profit made within 18 months of the retirement of the final City Loan, or with respect to the year in which the final City Loan is retired. If a sale of the Project occurs during the year in which the final City Loan is retired, the Profit Sharing calculation shall take all net proceeds of the sale into</p>

	account.
<u>Development Agreement/Loan Agreements:</u>	The City, Developer and RACM shall enter into a Development Agreement, Loan Agreements, and ancillary loan documents containing terms consistent with this Term Sheet and customary for such development and loan agreements (collectively, "Agreements"). The Development Agreement shall also provide for grant of a city easement over portions of the 4 th and Highland Parking Structure Site to permit the project to comply with applicable building and fire codes. The Agreements may not be assigned to a third party without the written consent of the Commissioner.
<u>Limits on Developer Action:</u>	<p>Until all Developer obligations under the Development Agreement have been fully discharged, the Developer may not without City consent:</p> <ul style="list-style-type: none"> • Liquidate or consolidate the Site; • Merge with another entity; • Enter into any transaction that would materially adversely affect the ability of the Developer to complete the Project or its obligations under the Development Agreement; • Assume or guarantee the obligations of any other person or entity that would materially adversely affect the ability of the Developer to complete the Project or repay the City loans; or • Enter into a transaction that would cause a material and detrimental change to the Developer's financial condition
<u>Human Resources:</u>	<p>The Developer will enter into an EBE agreement on all phases of the project setting forth an 18% EBE requirement and 21% RPP requirement.</p> <p>Notwithstanding the foregoing, the project shall comply with the requirements of the MORE Ordinance if those requirements are deemed applicable.</p>
<u>Prevailing Wages:</u>	Borrower and Borrower's contractors shall pay prevailing wages for work associated with the construction of the Project and shall provide the necessary reporting on forms specified by RACM.

<u>PILOT Payments:</u>	The Development Agreement will require payments in lieu of taxes with respect to any parcel, unit or building within the Project site that subsequently becomes exempt from real property taxes. This provision shall be incorporated into a covenant running with the land.
<u>Financial Statements:</u>	<p>Throughout the term of the Loans, Developer shall provide annual financial statements prepared and audited by outside accountants acceptable to RACM no later than 120 days following the close of each Borrower fiscal year for the Project, certified as to accuracy by the Developer, and annual tax returns within 120 days of the end of fiscal year. The City shall pledge to hold such records confidential to the greatest extent permitted by law.</p> <p>Guarantors are required to provide RACM with signed, updated personal financial statements within 120 days of the end of each year and if requested, a signed copy of their personal tax returns.</p>
<u>General:</u>	<p>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 in one or more agreements, including the Agreements mentioned above, among the City, RACM, and Developer. Resolutions approving the Term Sheet will also provide for the execution of all additional documents and instruments necessary to implement the Project.</p> <p>All other customary provisions (Comptroller audit rights, DCD Commissioner review and approval of project budget and design, etc.) will also be included in the Development Agreement.</p>

City of Milwaukee
TID #48/Proposed Moderne Project

Economic Feasibility Study

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Appendix 1: Construction Cost Review Summary

Appendix 2: TID Projection Detail

S. B. Friedman & Company
221 N. LaSalle Street
Chicago, IL 60601-1302
Phone: 312/424-4250; Fax: 312/424-4262

www.friedmanco.com

1. Project Description and Study Approach

The site of the proposed Moderne project (“Project”) is located at the intersection of North Old World Street and Juneau Avenue, immediately west of the Milwaukee River. The site is located within the existing Park East Tax Increment District (TID) 48, which was created in 2002. As proposed, the 30-story high-rise Moderne Building contains a mix of apartment units, condominium units, and retail space. The proposed program includes:

- **Apartments**—213,000 square feet for 203 for-rent units.
- **Condominiums**—32,100 square feet for 14 for-sale units.
- **Retail**—7,230 square feet of street-level retail.
- **Structured Parking**—A total of 204 spaces, with 181 allocated for apartments and 23 for condominiums.

A total City TID contribution to the project of up to **\$10 million** is proposed for gap financing, including up to \$6 million in Completion Loan funds and the balance in Mezzanine Loan funds. Additional detail on the proposed City assistance parameters is included in the “Proposed TID Contribution” section in Chapter 2.

Study Approach

In addition to reviewing the developer’s overall pro forma for the Moderne project, *SBFCo*, in conjunction with construction consultants The Concord Group (“Concord”), reviewed and considered the following key factors affecting the TID feasibility of the proposed project:

- Construction cost budget and supplemental information provided by Rinka Chung (the architect) and Findorff (the contractor) on behalf of the developer
- Key financing assumptions embedded in the Developer’s pro formas through review of industry sources
- Assessment techniques and assumptions likely to be used as a basis for property taxation, based on key informant interviews with the City of Milwaukee Assessor’s Office
- Real property assessment data from the City Assessor’s Office on existing properties within TID 48
- Real property assessment data for other comparable properties elsewhere in Milwaukee to validate the potential assessed valuation of the project
- Potential bonding assumptions as provided by DCD and the Office of the City Comptroller to be used in evaluating financing capacity

2. Need for Financial Assistance

Pursuant to our engagement with the City of Milwaukee, *SBFCo* reviewed key assumptions included in the developer's pro forma for the Moderne project, as well as the resulting implications on the need for TID assistance.

Project Costs, Revenues, and Financing Parameters

SBFCo, with the assistance of Concord, reviewed costs, revenues, and financing structure/parameters included in the developer's proposed project budget.

The Project is anticipated to be financed in large part with the HUD 221(d)(4) loan guarantee program. In this program, HUD provides the project senior lenders for rental apartment projects with a financial guarantee, provided the project is underwritten within HUD standards, which include certain requirements as to maximum loan size, required reserves, and mortgage insurance payments. The 221(d)(4) loan is anticipated to fund up to 75% of project costs, depending on the final interest rate at which the loan is locked.

As part of the HUD underwriting parameters, the Developer provided a rental apartment market study developed by Moegenburg Research to validate rent, occupancy, and absorption assumptions in the project pro forma. This market study appears to meet the HUD underwriting requirements for the 221(d)(4) program. While *SBFCo* did not independently recreate or validate the Moegenburg data, the analysis and conclusions in the study appear generally reasonable.

SBFCo's review yielded the following key observations regarding costs and revenues:

- **Construction Costs.** Total construction costs are estimated at \$43.3 million, which includes 3.63% for Developer contingency. Based on HUD requirements as to the level of design required to file an application for the 221(d)(4) program, the design is relatively well-developed as compared to typical TID-assisted projects at this stage in the municipal review and approval process. Concord reviewed construction cost estimates provided by Findorff in light of the schematic-level design information available at this stage in the proposed project. Concord has indicated to *SBFCo* that the developer's estimated costs are reasonable given the proposed program and project specifications and the level of design specificity that was available at the time their review was performed. The total construction costs were estimated at approximately \$46 million at the time of the review. In subsequent design and estimate refinements, Findorff has indicated that they are confident they can achieve a Guaranteed Maximum Price contract at a level equivalent to the hard costs shown in the Developer's pro forma. Per a recent update from Findorff and the project architects, this will likely be accomplished through "hard bids" of various materials and subcontracts within the overall project, as well as removal of design contingencies as the architectural drawings get closer to 100% completion. A summary of Concord's review is provided as Appendix 1 of this report, along with a supplemental update from Concord regarding the cost reductions occurring after Concord's initial review.

- **Soft Costs.** Soft costs, including architecture, engineering, and HUD-required reserves comprise approximately 17% of Total Development Costs, excluding land and developer fee. This is in line with *SBFCo*'s observed parameters for soft costs in urban mixed-use redevelopment projects.
- **Developer Fee.** The total overhead and fee proposed for the project is approximately \$2.2 million, or 4% of Total Development Cost. While *SBFCo* has observed values ranging from 3-4% in analogous projects, the long period of development for this project (beginning in 2006) and the extensive changes the project has undergone in response to evolving market conditions have caused the Developer to bear increased overhead.
- **Lease Revenues.** The projected revenue stream for the Moderne project is derived from the rent schedules for apartment units, apartment parking spaces, and retail space, as well as condominium sales. Once the project reaches stabilization in 2013, the annual gross income is projected at approximately \$5 million from apartments, \$350,000 from rentable apartment parking spaces, and \$160,000 from the retail space. Apartment rents are projected to be at the high end of the observed spectrum in Downtown Milwaukee at approximately \$1.94 per square foot at stabilization.
- **Condo Sales.** Based on the fact that four of the 14 condo units are currently reserved with 5% deposits from buyers, the Project is anticipated to receive revenue from condo sales when these units are delivered during the project's first year of operation, which is projected to begin in September of 2011. Condo sales proceeds are projected at a relatively gradual pace, assuming approximately a 4+ year sellout period for all remaining units, starting at the commencement of construction. Condo pricing is assumed at approximately \$408 per square foot- at the relatively high end of the Milwaukee spectrum. While the condominium market is extremely challenged at the present time, these challenges are mitigated by the small number of units, the slow projected sellout pace, and the fact that the units will be located on the upper-most three floors of the 30-story tower, offering attractive views.
- **Operating Expenses.** The Developer intends to lease the retail space on a net basis, with pass-throughs of real estate taxes, common-area maintenance and other typical expenses to the tenants. Projected operating expenses for the apartment component of the project are projected at 38% of rental revenues, which is in the typical range for newly constructed apartment projects based on reviews of benchmark sources such as IREM surveys and discussions with apartment developers.

Financing Structure

The proposed financing for the Project includes four key funding components:

- **HUD 221(d)4 Debt.** This is a senior loan on the rental residential, retail, and associated parking components of the project, disbursed during construction and remaining in place for 40 years after completion. Interest is fixed for the entire 40+ year period, and is anticipated to be based on a spread of 275 basis points over the yield on 10-year

Treasuries at the time the rate is locked. At current market rates, this loan would fund at about 6.41%. To some extent, the interest rate also affects the maximum size of this loan. Based on HUD sizing formulas, the loan would be approximately \$40.2 million at an interest rate of 6.41%.

- **Developer Equity.** For the purposes of evaluating equity returns, the developer's total equity basis for the Moderne project is estimated at \$4.9 million, comprised of:
 - Cash expended for land acquisition
 - Cash expended for pre-development costs
 - A condominium unit that was used to buy out a prior owner/equity investor in the project in 2008

The amount of this equity contribution will be finalized based on the size of the HUD 221(d)4 loan, but is under no circumstances anticipated to be less than \$3.75 million.

- **City Completion Loan.** Approximately \$6 million of the City's loans to the Project would be provided in the form of an interim loan disbursed during construction and remaining in place for no more than 4 years. This loan would have a subordinate position to the HUD 221(d)4 loan with respect to the apartment/retail component of the Project, but a first lien on the condominium portion. It would be repaid after the Mezzanine Loan described below. The rate would be set equal to the HUD 221(d)4 loan, and interest would accrue until such time as the Developer can repay this loan.
- **City Mezzanine Loan.** Approximately \$4 million of the City's loans would be provided as a Mezzanine Loan priced at typical rates for this type of capital—between 14 and 15% interest. This loan would be funded earlier in the construction process, and therefore bear a closer resemblance to equity. Like the Completion Loan, this would have a 4-year term, a subordinate position with respect to the apartments/retail, and a senior position on the condominiums. Because of the higher rate associated with this loan, it would be repayable prior to the Completion Loan.

Projected Developer Returns

In order to evaluate the need for assistance, *SFBCo* calculated:

- **Equity Returns** expressed as an internal rate of return (IRR) with the proposed level and structure of TID assistance. This calculation is based on the developer's estimated cash equivalent equity contribution (described in "Equity Component" above), annual net cash flow after expenses and debt service, and the income from an assumed hypothetical sale of the property in Year 11.
- **Returns on Cost** in terms of overall unleveraged IRR. This calculation is based on a comparison between annual project income before debt service and total project cost net of public improvements, grants, and interest costs.

Tables 1 through 3 on the following pages show the Sources and Uses of Funds, projected operating revenues and expenses, and the resulting projected cash flows and returns. Table A-1 in the appendix of this report shows monthly detail on projected disbursement and repayment of loan proceeds.

RETURNS ON EQUITY

SBFCo's return calculation yields a projected leveraged IRR on equity of about 16.0%. This return appears to be reasonable and towards the lower end of market ranges. The Term Sheet also contains a profit-sharing provision as follows: during the term of the City loans, upon sale or refinance of the project and/or sale of any condominium units over and above the 14 units currently planned, the Developer shall provide to the City sufficient information to calculate the project annual IRR on equity. If, upon the sale or refinance event, this return exceeds 20%, the City will share in 50% of net sale/refinance proceeds over and above the level necessary to achieve this 20% threshold.

RETURNS ON COST

SBFCo also projected IRR on total project cost (or “unleveraged IRR”) based on the initial unleveraged total project cost less public assistance (defined as total project costs less the Mezzanine and Completion Loans) and projected project income before debt service. This calculation yielded an unleveraged IRR projection of 9.1%. *SBFCo* benchmarked these returns to national data on apartment projects from PriceWaterhouseCoopers/Korpacz Investor Survey for the Fourth Quarter of 2008. The Korpacz survey indicates a market average for multi-family apartments of about 8.3% and an observed market range of 6% to 10.5%. Because this index is primarily composed of purchases of existing cash-flowing assets, as opposed to proposed development projects, it is appropriate that the Moderne project would have a somewhat higher projected return on cost. This suggests that the current City TID contribution is sized to allow the Moderne project to achieve returns that are within reasonable market parameters.

**City of Milwaukee
Moderne Loan Analysis**

DRAFT

Table 1: Sources and Uses of Funds

				TOTAL	Benchmark	
USES						
Land						
				\$ 835,000		
Land Acquisition				\$ 88,096		
LL Interest Carry & PP Taxes						
Total Land				\$ 923,096	\$ 4,314	Per Unit
Hard Costs						
				\$ 41,738,040		
Construction GMP				\$ 20,000		
Common Area on Unsold Units				\$ 1,513,815		
Developer Contingency	3.63%					
Total Hard Costs	SF	398,602		\$ 43,271,855	\$ 109	Per SF
Soft Costs						
				\$ 155,322		
Equity Investor Buyout				\$ 55,000		
City Approvals, Permits, Cons.				\$ 11,500		
Appraisal / Market Study				\$ 67,333		
Sales Center Overhead				\$ 400,000		
Sales Center Construction				\$ 260,421		
Marketing & Advertising				\$ 15,000		
Travel & Entertainment				\$ 1,070,467		
Architect & Engineering				\$ 111,900		
Legal				\$ 85,000		
Accounting				\$ 75,000		
Insurance				\$ 35,000		
FF&E				\$ 150,000		
Superintendent				\$ 2,752,271		
Construction Loan Interest Reserve				\$ 670,000		
Loan Brokerage Fee				\$ 12,500		
Cost Certification Audit Fee				\$ 20,000		
Title & Recording				\$ 401,889		
Capmark Loan Fee (1%)	1%	of HUD Loan		\$ 361,700		
FHA Mortgage Insurance Premium	0.9%	of HUD Loan		\$ 120,567		
HUD Application Fee	0.3%	of HUD Loan		\$ 200,945		
HUD Inspection Fee (.5%)	0.5%	of HUD Loan		\$ 10,000		
Soft Cost Contingency				\$ 803,778		
Working Capital Escrow	2%	of HUD Loan		\$ 856,342		
Initial Operating Deficit Reserve (HUD Requirement)						
Total Soft Costs				\$ 8,701,935	16.7%	of TDC excl Land and Dev Fee
Developer Fees and Overhead						
				\$ 1,714,132		
Developer Fee				\$ 489,905		
Predevelopment Overhead						
Total Developer Fees and Overhead				\$ 2,204,037	4.0%	of TDC
TOTAL DEVELOPMENT COSTS				\$ 55,100,923		
SOURCES						
				\$ 4,912,012		
Equity				\$ 4,000,000		
City Mezzanine Loan				\$ 6,000,000		
City Completion Loan				\$ 40,188,911		
Capmark/HUD Senior Loan						
TOTAL SOURCES				\$ 55,100,923		

Source: Milwaukee Moderne, LLC and S. B. Friedman & Company

City of Milwaukee- Moderne Loan Analysis

Table 2: Operating Income Calculation

DRAFT

	GLA	Monthly Rent				
		Units/Spaces	per	Annual Rent per		
			Unit/Space/Sq. Ft.	Unit/Space/Sq. Ft.	Total Annual Rent	
Apartments	212,987	203	\$ 2,037.00	\$ 24,444.00	\$ 4,962,132.00	
Parking	74,798	181	\$ 150.00	\$ 1,800.00	\$ 325,800.00	
Restaurant	5,240	N/A	\$ 1.92	\$ 23.00	\$ 120,520.00	
Spa	1,990	N/A	\$ 1.58	\$ 19.00	\$ 37,810.00	
TOTAL	295,015				\$ 5,446,262.00	

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Revenue Growth			0.0%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Expense Growth			0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Occupancy:												
Apartments		66%	94%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Parking		76%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Restaurant		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Spa		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Rental Revenue												
Apartments	\$ 2,037.00	\$ 3,275,007	\$ 4,664,404	\$ 4,846,018	\$ 4,981,707	\$ 5,121,194	\$ 5,264,588	\$ 5,411,996	\$ 5,563,532	\$ 5,719,311	\$ 5,879,452	\$ 6,044,076
Parking	\$ 150.00	\$ 247,608	\$ 309,510	\$ 318,176	\$ 327,085	\$ 336,244	\$ 345,658	\$ 355,337	\$ 365,286	\$ 375,514	\$ 386,029	\$ 396,838
Restaurant	\$ 1.92	\$ 108,468	\$ 108,468	\$ 111,505	\$ 114,627	\$ 117,837	\$ 121,136	\$ 124,528	\$ 128,015	\$ 131,599	\$ 135,284	\$ 139,072
Spa	\$ 1.58	\$ 34,029	\$ 34,029	\$ 34,982	\$ 35,961	\$ 36,968	\$ 38,003	\$ 39,067	\$ 40,161	\$ 41,286	\$ 42,442	\$ 43,630
Total Rental Revenue		\$ 3,665,112	\$ 5,116,411	\$ 5,310,681	\$ 5,459,380	\$ 5,612,243	\$ 5,769,386	\$ 5,930,929	\$ 6,096,995	\$ 6,267,710	\$ 6,443,206	\$ 6,623,616
Operating Expenses												
Apartments	\$ 361.33	\$ (580,933)	\$ (1,089,567)	\$ (1,123,182)	\$ (1,145,645)	\$ (1,168,558)	\$ (1,191,930)	\$ (1,215,768)	\$ (1,240,083)	\$ (1,264,885)	\$ (1,290,183)	\$ (1,315,987)
Parking	\$ 13.77	\$ (22,738)	\$ (28,422)	\$ (28,991)	\$ (29,571)	\$ (30,162)	\$ (30,765)	\$ (31,381)	\$ (32,008)	\$ (32,648)	\$ (33,301)	\$ (33,967)
Fixed Expenses												
Apartments	\$ 26.43	\$ (64,380)	\$ (64,380)	\$ (65,668)	\$ (66,981)	\$ (68,321)	\$ (69,687)	\$ (71,081)	\$ (72,502)	\$ (73,952)	\$ (75,431)	\$ (76,940)
Parking	\$ 22.11	\$ (48,016)	\$ (48,016)	\$ (48,977)	\$ (49,956)	\$ (50,955)	\$ (51,975)	\$ (53,014)	\$ (54,074)	\$ (55,156)	\$ (56,259)	\$ (57,384)
Total Expenses		\$ (716,068)	\$ (1,230,386)	\$ (1,266,817)	\$ (1,292,153)	\$ (1,317,996)	\$ (1,344,356)	\$ (1,371,243)	\$ (1,398,668)	\$ (1,426,642)	\$ (1,455,174)	\$ (1,484,278)
Annual Real Estate Taxes												
Apartments	\$ 3,651.61	\$ (489,243)	\$ (696,800)	\$ (718,297)	\$ (732,663)	\$ (747,316)	\$ (762,263)	\$ (777,508)	\$ (793,058)	\$ (808,919)	\$ (825,098)	\$ (841,599)
Total Annual Real Estate Taxes		\$ (489,243)	\$ (696,800)	\$ (718,297)	\$ (732,663)	\$ (747,316)	\$ (762,263)	\$ (777,508)	\$ (793,058)	\$ (808,919)	\$ (825,098)	\$ (841,599)
Net Operating Income (NOI)		\$ 2,459,801.74	\$ 3,189,225	\$ 3,325,567	\$ 3,434,564	\$ 3,546,930	\$ 3,662,767	\$ 3,782,177	\$ 3,905,268	\$ 4,032,150	\$ 4,162,934	\$ 4,297,739
Less Reserves												
Cash Flow After Reserves		\$ 2,459,802	\$ 3,189,225	\$ 3,325,567	\$ 3,434,564	\$ 3,546,930	\$ 3,662,767	\$ 3,782,177	\$ 3,905,268	\$ 4,032,150	\$ 4,162,934	\$ 4,297,739

Source: Milwaukee Moderne, LLC and S. B. Friedman & Company

City of Milwaukee- Moderne Loan Analysis

Table 3: Cash Flow and Returns Analysis

DRAFT

	-2	-1	Year 0	Const Yr 1	Const Yr 2	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
SOURCES																
Condo Sales Proceeds				\$ -		\$ 7,348,860	\$ 3,946,920	\$ 929,070								\$ 12,224,850
NOI (less Reserves)						\$ 2,459,802	\$ 3,189,225	\$ 3,325,567	\$ 3,434,564	\$ 3,546,930	\$ 3,662,767	\$ 3,782,177	\$ 3,905,268	\$ 4,032,150	\$ 4,162,934	\$ 35,501,385
Payout of Operating Shortfall Reserve						\$ 856,342										\$ 856,342
Reversion															\$ 52,110,082	\$ 52,110,082
TOTAL				\$ -		\$ 10,665,004	\$ 7,136,145	\$ 4,254,637	\$ 3,434,564	\$ 3,546,930	\$ 3,662,767	\$ 3,782,177	\$ 3,905,268	\$ 4,032,150	\$ 56,273,016	\$ 100,692,659
USES																
Debt Service- Senior Loan	\$ 39,197,551					\$ 2,904,565	\$ 2,904,565	\$ 2,904,565	\$ 2,904,565	\$ 2,904,565	\$ 2,904,565	\$ 2,904,565	\$ 2,904,565	\$ 2,904,565	\$ 2,904,565	\$ 29,045,646
Mortgage Insurance Premium	0.45%					\$ 180,850	\$ 180,850	\$ 180,850	\$ 180,850	\$ 180,850	\$ 180,850	\$ 180,850	\$ 180,850	\$ 180,850	\$ 180,850	\$ 180,850
Interest Payment Incl Mortgage Insurance Premium	6.41%					\$ 2,512,563	\$ 2,498,623	\$ 2,483,764	\$ 2,467,923	\$ 2,451,036	\$ 2,433,035	\$ 2,413,845	\$ 2,393,388	\$ 2,371,581	\$ 2,348,334	\$ 23,488,334
Principal Payment	40					\$ 211,151	\$ 225,091	\$ 239,951	\$ 255,792	\$ 272,678	\$ 290,680	\$ 309,870	\$ 330,326	\$ 352,134	\$ 375,381	\$ 3,375,381
Prepayment															\$ 36,334,498	\$ 36,334,498
Repayment- City Mezz Loan	\$ 4,000,000			\$ -		\$ 5,279,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,279,529
Interest Payment	14.74%					\$ 1,279,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal Payment						\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Accrual						\$ 1,152,591	\$ 126,938	\$ -								\$ 1,279,529
Outstanding Balance						\$ 5,152,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment- City Base Loan	\$ 6,000,000			\$ -		\$ 2,480,910	\$ 4,148,676	\$ 0	\$ 0	\$ 0	\$ 0	\$ -	\$ 0	\$ 0	\$ 0	\$ 6,629,585
Interest Payment	6.41%					\$ 463,764	\$ 165,822	\$ 0	\$ 0	\$ 0	\$ 0	\$ -	\$ 0	\$ 0	\$ 0	\$ 0
Principal Payment						\$ 2,017,146	\$ 3,982,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Accrual						\$ 172,501	\$ 291,262	\$ 165,822								\$ 463,764
Outstanding Balance						\$ 6,172,501	\$ 3,982,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributable Cash				\$ -		\$ -	\$ 82,905	\$ 1,350,073	\$ 530,000	\$ 642,366	\$ 758,202	\$ 877,613	\$ 1,000,704	\$ 1,127,585	\$ 1,033,954	\$ 23,403,401
TOTAL				\$ -		\$ -	\$ 82,905	\$ 1,350,073	\$ 530,000	\$ 642,366	\$ 758,202	\$ 877,613	\$ 1,000,704	\$ 1,127,585	\$ 1,033,954	\$ 23,403,401
Annual Debt Coverage						0.85	1.10	1.14	1.18	1.22	1.26	1.30	1.34	1.39	1.43	
Leveraged Cash Flow																
Equity Contributions	\$ (589,905)	\$ (725,322)	\$ (1,297,217)	\$ (2,299,568)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,912,012)
Equity Distributions					\$ -	\$ -	\$ 82,905	\$ 1,350,073	\$ 530,000	\$ 642,366	\$ 758,202	\$ 877,613	\$ 1,000,704	\$ 1,127,585	\$ 1,033,954	\$ 23,403,401
TOTAL	\$ (589,905)	\$ (725,322)	\$ (1,297,217)	\$ (2,299,568)	\$ -	\$ -	\$ 82,905	\$ 1,350,073	\$ 530,000	\$ 642,366	\$ 758,202	\$ 877,613	\$ 1,000,704	\$ 1,127,585	\$ 1,033,954	\$ 18,491,388
Annual Cash-on-Cash Return						0.0%	1.7%	27.5%	10.8%	13.1%	15.4%	17.9%	20.4%	23.0%		
Leveraged IRR						16.0%										
Unleveraged Cash Flow (Excluding Condos)																
NOI						\$ 2,459,802	\$ 3,189,225	\$ 3,325,567	\$ 3,434,564	\$ 3,546,930	\$ 3,662,767	\$ 3,782,177	\$ 3,905,268	\$ 4,032,150	\$ 4,162,934	\$ 35,501,385
Reversion Proceeds						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,110,082	\$ 52,110,082
Total Project Costs						\$ (55,100,923)										\$ (55,100,923)
Less Portion Attributable to Condo (85% of sales proceeds)						\$ 11,173,250										\$ 11,173,250
Total Project Costs						\$ (43,927,673)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (43,927,673)
TOTAL						\$ (43,927,673)	\$ 2,459,802	\$ 3,189,225	\$ 3,325,567	\$ 3,434,564	\$ 3,546,930	\$ 3,662,767	\$ 3,782,177	\$ 3,905,268	\$ 4,032,150	\$ 43,683,794
Annual Yield on Cost						5.6%	7.3%	7.6%	7.8%	8.1%	8.3%	8.6%	8.9%	9.2%	9.5%	
Unleveraged IRR						9.1%										

Source: Milwaukee Moderne, LLC and S. B. Friedman & Company

HUD Loan Sizing

Net Income @ Stabilization	\$ 2,973,451
Interest Rate	6.41%
Mortgage Insurance Rate	0.45%
Term	40
Initial Curtail Rate	0.5387%
Sum of Rates	7.3987%
Net Income Divided by Sum of Rates	\$ 40,188,911

Reversion Calculations

11th Year NOI	\$ 4,297,739
Terminal Cap Rate	8.0%
Terminal Value	\$ 53,721,734
Cost of Sale @ 3.0%	(1,611,652)
Net Reversion Proceeds	\$ 52,110,082

3. Incremental Property Tax Revenues

In order to evaluate the time frame of repayment for the proposed \$10 million City TID contribution, *SBFCo* projected future incremental property tax revenues to be generated by the proposed Moderne project, as well as the balance of TID 48. These projected revenues were then used to estimate the time frame for amortization of the associated TID-supported issuances of City bonds.

TID Projection Assumptions and Methodology

Table 4 on the following page shows *SBFCo*'s projections of incremental property taxes for TID 48. These projections indicate total undiscounted tax collections of about **\$47 million** between 2009 and 2029, including existing TID 48 fund balances as of year end 2008. Of this total, the Moderne is anticipated to produce about \$17 million in undiscounted tax revenue. The key assumptions and methods used to develop these projections are described below.

Sources of TID Revenue

TID 48 includes a total of 139 taxkeys, comprised of non-redevelopment parcels, the new Moderne project, and three existing projects. These different components of the projected TID revenue stream are described below.

- **Non-redevelopment parcels.** TID 48 includes taxkeys for which no redevelopment is assumed to occur for the purposes of this study. *SBFCo*'s projections include tax increment only from the inflationary growth in these parcels' property values, not from any new development. If any of these parcels are redeveloped in the future, there is additional potential for the TID to realize greater revenues than those included in this feasibility report.
- **Moderne.** The proposed Moderne occupies one taxkey and will generate tax increment through its three uses: 203 for-rent apartments, 14 for-sale condominiums, and approximately 7,200 square feet of retail. The Moderne Project will generate additional revenue for the TID through repayment of the Mezzanine and Completion loans.
- **North End.** The North End is a 5-phase mixed use development occupying one taxkey. *SBFCo*'s projections include only Phase 1, which is comprised of 83 for-rent apartments and 12,000 square feet of retail. It is likely that additional development will occur within this project in the future, potentially generating additional revenues for the TID beyond those reflected in this report.
- **The Aloft.** The Aloft, which occupies one taxkey, is a seven-story, 160-room hotel with approximately 5,000 square feet of ground-floor retail.

Park East TID

Table 4: TID Revenue Projections

Inflationary Increment and All Increment due to Redevelopment Projects													
Calculations: Tax Incremental Revenue due to Inflation							Summary: Tax Incremental Revenue due to Redevelopment Projects						
TID Year [1]	Assmt Year	Frozen Base Value (Less project parcels) [2]	Actual/Inflated Value [3]	Incremental Value [4]	Tax Rate	Incremental Revenue: Non- Project Parcel Inflation Only [5]	The Flatiron	The North End (Phase 1)	The Moderne	The Aloft	Total Incremental Revenue: Redevelopment	Total Park East TID Incremental Revenue [6]	
4	2005	\$ 43,110,400											
5	2006	\$ 43,110,400											
6	2007	\$ 43,110,400	\$ 54,839,800	\$ 11,729,400	2.31%							\$ 253,791	
7	2008	\$ 43,110,400	\$ 62,743,600	\$ 19,633,200	2.40%	\$ 271,301	7,464	\$ 53,100		\$ 14,794	\$ 75,358	\$ 346,659	
8	2009	\$ 43,110,400	\$ 66,059,900	\$ 22,949,500	2.51%	\$ 471,786	91,953	\$ 30,847		\$ 15,370	\$ 138,170	\$ 609,956	
9	2010	\$ 43,110,400	\$ 67,381,098	\$ 24,270,698	2.46%	\$ 574,885	133,331	\$ 33,407		\$ 13,354	\$ 180,092	\$ 754,977	
10	2011	\$ 43,110,400	\$ 68,728,720	\$ 25,618,320	2.42%	\$ 598,132	190,771	\$ 74,764		\$ 239,314	\$ 504,849	\$ 1,102,980	
11	2012	\$ 43,110,400	\$ 70,103,294	\$ 26,992,894	2.39%	\$ 621,115	195,399	\$ 201,967		\$ 254,426	\$ 651,792	\$ 1,272,907	
12	2013	\$ 43,110,400	\$ 71,505,360	\$ 28,394,960	2.35%	\$ 643,840	196,122	\$ 220,441	\$ 584,350	\$ 255,592	\$ 1,256,505	\$ 1,900,344	
13	2014	\$ 43,110,400	\$ 72,935,467	\$ 29,825,067	2.31%	\$ 666,310	196,846	\$ 221,776	\$ 864,588	\$ 256,757	\$ 1,539,968	\$ 2,206,278	
14	2015	\$ 43,110,400	\$ 74,394,177	\$ 31,283,777	2.27%	\$ 688,531	197,572	\$ 223,106	\$ 976,038	\$ 257,922	\$ 1,654,639	\$ 2,343,169	
15	2016	\$ 43,110,400	\$ 75,882,060	\$ 32,771,660	2.23%	\$ 710,506	198,300	\$ 224,432	\$ 1,007,280	\$ 259,087	\$ 1,689,099	\$ 2,399,605	
16	2017	\$ 43,110,400	\$ 77,399,702	\$ 34,289,302	2.20%	\$ 732,241	199,030	\$ 225,754	\$ 1,010,925	\$ 260,251	\$ 1,695,960	\$ 2,428,201	
17	2018	\$ 43,110,400	\$ 78,947,696	\$ 35,837,296	2.16%	\$ 753,739	199,762	\$ 227,071	\$ 1,014,581	\$ 261,415	\$ 1,702,829	\$ 2,456,568	
18	2019	\$ 43,110,400	\$ 80,526,649	\$ 37,416,249	2.13%	\$ 775,005	200,496	\$ 228,384	\$ 1,018,248	\$ 262,579	\$ 1,709,706	\$ 2,484,711	
19	2020	\$ 43,110,400	\$ 82,137,182	\$ 39,026,782	2.09%	\$ 796,042	201,231	\$ 229,693	\$ 1,021,925	\$ 263,743	\$ 1,716,592	\$ 2,512,634	
20	2021	\$ 43,110,400	\$ 83,779,926	\$ 40,669,526	2.06%	\$ 816,856	201,969	\$ 230,999	\$ 1,025,612	\$ 264,906	\$ 1,723,486	\$ 2,540,342	
21	2022	\$ 43,110,400	\$ 85,455,525	\$ 42,345,125	2.03%	\$ 837,450	202,708	\$ 232,301	\$ 1,029,310	\$ 266,070	\$ 1,730,389	\$ 2,567,839	
22	2023	\$ 43,110,400	\$ 87,164,635	\$ 44,054,235	2.00%	\$ 857,827	203,450	\$ 233,599	\$ 1,033,019	\$ 267,234	\$ 1,737,302	\$ 2,595,129	
23	2024	\$ 43,110,400	\$ 88,907,928	\$ 45,797,528	2.00%	\$ 881,085	204,912	\$ 235,721	\$ 1,040,390	\$ 269,343	\$ 1,750,366	\$ 2,631,451	
24	2025	\$ 43,110,400	\$ 90,686,086	\$ 47,575,686	2.00%	\$ 915,951	209,047	\$ 240,920	\$ 1,061,327	\$ 274,966	\$ 1,786,260	\$ 2,702,210	
25	2026	\$ 43,110,400	\$ 92,499,808	\$ 49,389,408	2.00%	\$ 951,514	213,264	\$ 246,223	\$ 1,082,682	\$ 280,702	\$ 1,822,871	\$ 2,774,385	
26	2027	\$ 43,110,400	\$ 94,349,804	\$ 51,239,404	2.00%	\$ 987,788	217,566	\$ 251,632	\$ 1,104,465	\$ 286,552	\$ 1,860,214	\$ 2,848,002	
27	2028	\$ 43,110,400	\$ 96,236,800	\$ 53,126,400	2.00%	\$ 1,024,788	221,954	\$ 257,149	\$ 1,126,684	\$ 292,519	\$ 1,898,305	\$ 2,923,093	
	2029					\$ 1,062,528	226,429	\$ 262,776	\$ 1,149,346	\$ 298,605	\$ 1,937,157	\$ 2,999,685	
Total Proceeds, 2008 - 2029 (Not Discounted)						\$ 16,639,217	\$ 4,109,578	\$ 4,386,060	\$ 17,150,769	\$ 5,115,500	\$ 30,761,907	\$ 47,654,915	

Note: These projections are based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, actual results during the period covered by our analysis will necessarily vary from those shown here and the variations may be material.

Actual values are shown in *italics*.

[1] The Park East TID was formed in 2002 and is scheduled to terminate in 2029.

[2] Frozen Base Value is equal to the amended 2005 district-wide base value less the frozen 2000 assessed value of project parcels.

[3] Actual/Inflated Value is equal to the 2009 district-wide assessed value less the 2009 project parcel assessed values, per City of Milwaukee Assessor's Office.

[4] Incremental Value is equal to Actual/Inflated Value less Frozen Base Value.

[5] Incremental Revenue is equal to Incremental Value multiplied by the Tax Rate. The value shown pertains to district-wide inflationary increment only and excludes project parcel values.

[6] Total Park East TID Incremental Revenue is equal to inflationary district-wide increment plus redevelopment increment from project parcels. Actual values are shown for 2006 and 2007, per City of Milwaukee.

- **The Flatiron.** The Flatiron is a condominium project, with 25 condominiums already constructed and fully assessed. An additional 13 condominiums have not yet been assessed.

Other Key Assumptions

Table A-2 in the appendix of this report illustrates the phasing assumptions used to project TID revenues and calculate amortization.

- **Timing of Assessments.** Schedule information from the developer indicates that the building is anticipated to begin lease-up in May of 2011, so the Moderne project is expected to be partially assessed in 2012. Following full lease-up of the apartment and retail components and sell-out of the condominiums, full assessment of the project is assumed to occur in 2015.
- **Tax Rate.** Our analysis considered historical trends in the overall City of Milwaukee property tax rate over the past 5, 10, 15, and 20-year periods. The tax rate has trended downward over all of these analysis periods at compound annual rates ranging from about 1.4% (20-year history) to 3.6% (10-year history). For our analysis, *SBFCo* assumed a 2009 tax rate equal to the Assessor's estimate of 2.505% (\$25.05 per \$1,000 of value) and a subsequent annual decline in rate of 1.62%, the compound annual rate of decline for the past 10 years. This decline is assumed to continue through 2023, beyond which point the rate is assumed to remain level at 2%.
- **Valuation Approach.** The following assumptions and methodologies were used to project future property valuations for the purposes of estimating TID revenue:
 - Apartment Valuation: *SBFCo* held discussions with the City Assessor's Office to review the potential valuation methodology and result for the Moderne apartments. The Assessor's office indicated it would likely take an income approach to valuation of the property, but might base its value on prevailing area rents, as opposed to specific operating results from the property. Specifically, the Assessor suggested rents of \$1.65 per square foot might be used. This income then might be translated into building value using assumptions such as operating expenses (excluding property tax) equal to 35% of revenues, a 5% vacancy rate, and a cap rate of between 6% and 7%. *SBFCo* assumed a 6.5% cap rate, and added 2.3% to reflect the approximate average property tax rate the Project might experience over the bulk of the TID projection period to result in a "tax-loaded cap rate." In turn, these calculations yield an anticipated building valuation of approximately \$139 per square foot, or about \$146,000 per unit. Assessor data on building square footages for other Downtown apartment projects is limited, so *SBFCo* reviewed data on valuation per unit to benchmark the above assumption. This value falls toward the upper end of observed ranges, but below the highest observed values of \$165/unit for the Franklin at East Pointe. Given the Moderne's higher pro forma rents of \$1.94 per square foot per

month as compared to the Franklin's current values in the \$1.50 range, the \$139/sf Moderne valuation assumption appears reasonable.

- Condominiums: Although the Moderne pro forma assumes sales prices of \$408 per square foot, *SBFCo* assumed a valuation of \$350 per square foot to be conservative and to account for the possibility of price concessions. For the Flatiron project, *SBFCo* used actual assessed values for the units that appear to be fully assessed as of 2009, and projected values for the balance of the units.
- Retail: Consistent with assumptions used in prior Park East TID projections, *SBFCo* assumed a value of \$111 per square foot for retail space.
- Hotel: For the Aloft project, *SBFCo* used prior TID projections prepared at the time of the March 2008 TID Funding increase. We are not aware of any changes to the project program or schedule that would materially impact these prior projections.
- Parking Structure Valuation: Although the parking portion of the Moderne project will be leased separately from the apartments and would itself generate additional net operating income, *SBFCo* did not attribute additional TID value to this component. This reflects the fact that available apartment tax comparables frequently do not have separate taxkeys from their associated parking. Therefore, the stated apartment valuation above includes any additional value that may be attributed to parking.
- **Property Value Growth.** *SBFCo*'s projections assume 2% annual growth in real property assessments for all properties included in the TID projection.

Projected Amortization of TID Debt

SBFCo evaluated the time frame over which the total requested Park East TID funding could be amortized using the available sources of funds. This analysis is presented in **Table 5**.

Per schedules provided by the City of Milwaukee, \$17.55 million of bonding has been attributed to TID 48 to date. The amortization schedule for these bonds was incorporated into this overall analysis. In addition to the \$17.55 million bonded to date, the total Park East TID funding amount includes the following additions:

- Park East Authorized and Expended but Not Yet Bonded: The total Park East expenditures equals the \$19.96 million authorized in 2005 plus the \$1.25 million spending increase authorized in 2008, and an approved \$29,232 inflationary increase in 2009 to dockwall costs funded from TID proceeds. Of this \$21.24 million, almost all funds have been authorized and expended. However, *SBFCo* only had access to actual debt service on issued bonds for \$17.55 million of these proceeds to date. The amount that has been authorized but not yet included in bonding schedules is **\$3,686,692**. This amount is assumed to be bonded in 2009 for the purposes of this feasibility analysis.

- Public Park: An estimated \$750,000 cost for the City to construct a public park anticipated on Block 18 of the Park East planning area is assumed to be bonded in 2010.
- Moderne Mezzanine Loan Principal and Administrative Costs: For timing purposes, the total \$950,000 allotted for Moderne City administration costs was divided into two equal components, so \$475,000 was added to each principal loan amount for bonding. Together, the Mezzanine loan principal amount and administrative costs total **\$4,815,000**. This amount is assumed to be bonded in 2010.
- Moderne Completion Loan Principal and Administrative Costs: The Completion loan principal amount and associated administrative costs total **\$6,135,000**. This amount is assumed to be bonded in 2011, based on the projected draw-down of funds for this portion of the City's loans to the Project.

METHODOLOGY

These projections replicate the issuance of one or more bonds to support the TIF subsidy, and are based on the following key assumptions:

- **Bond Interest Rates.** *SBFCo* assumed an interest rate of 4.5% on the bonds, reflective of the City of Milwaukee's approximate cost of funds frequently used for TID feasibility analysis.
- **Term, Target Debt Service, and Carry Costs.** Reflecting discussions with the Office of the City Comptroller, the projections assume two years of interest-only payments, followed by fifteen years of level principal and interest payments. The interest-only payments in the first two years of the financing are equal to the size of the assumed capitalized interest reserve, less available fund balances at the time of issuance.

For the fifteen level payment years following the interest-only period, a "TID Annual Debt Service Target" is defined. This amount is equal to the annual level-payment debt service on a 15-year amortization of the total bond issue. In each of the 15 amortization years, this Annual Debt Service Target is compared to the available Repayment Sources. Any shortfalls relative to this target are accrued and carry a 4% annual interest charge until they are repaid. Any surpluses versus the target are used to pay down the accumulated shortfalls.

- **Issuance Costs.** *SBFCo* assumed an issuance cost of 1.00%.

City of Milwaukee

Park East TID

Table 5: Bonding Capacity Analysis

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Bonding Assumptions

Interest Rate on Bonds	4.50%
Cost of Funds (Local Government Investment Pool)	4.00%
Issuance Costs @	1.0%
Capitalized Interest Allowance @	10.0%
Assumed Level P&I Payments	15

Tally of Additional Expenditures to be Included in the District

\$ 19,962,894	Park East Authorized Funding Amount- May 2005 Amendment
\$ 1,250,202	Principal Amount Authorized per 3/28/08 Funding Increase
\$ 29,232	2009 RSMMeans Adjustment to Aloft Dockwall Costs
\$ 21,242,328	Subtotal- Authorized TID Costs Prior to This Increase
\$ 17,555,936	Amount already bonded
\$ 3,686,392	Park East Authorized & Expended but Not Yet Bonded
\$ 21,242,328	Subtotal- Authorized TID Costs Prior to This Increase

New Expenditures

\$ 750,000	Public Park on Block 18
\$ 4,815,000	Principal Amount Proposed for Mezzanine Loan to Moderne Project + Admin Costs
\$ 6,135,000	Principal Amount Proposed for Completion Loan to Moderne Project + Admin Costs
\$ 11,700,000	Subtotal New Expenditures
\$ 32,942,328	Total Minimum Bonding Authorized (existing and new obligations)
(17,555,936)	Less Principal Amount of Funds Bonded to Date
\$ 15,386,392	Projected Additional Bonding in This Run

Funding Structure of New Bonds

	Assumed Year	Amount	Plus Issuance Costs	Capitalized Interest	Total Issuance
PE Authorized but Not Bonded	2009	\$ 3,686,392	\$ 36,864	\$ 413,695	\$ 4,136,951
Public Park	2010	\$ 750,000	\$ 7,500	\$ 84,167	\$ 841,667
Mezz Loan Bonding Amt.	2010	\$ 4,815,000	\$ 48,150	\$ 540,350	\$ 5,403,500
Completion Loan Bonding Amt.	2011	\$ 6,135,000	\$ 61,350	\$ 688,483	\$ 6,884,833
TOTAL		\$ 15,386,392			\$ 17,266,951

TID Year	Calendar Year	Projected Incremental Property Taxes	Moderne Debt Service Payments	Existing Debt Service Obligations	Available Funds to Service New Debt	Total New Debt Issued	Total New Debt Service	TID Payoff Analysis				
								Annual Surplus/ (Shortfall)	Cumulative Fund Balance	Interest Earnings/ (Carry Cost) on Cuml. Balance	TID Debt Retired	TID Able to Repay Princ. Balance
8	2009	\$ 609,956		\$ (1,400,327)	\$ (790,371)	\$ 4,136,951	\$ -	\$ (790,371)	\$ (790,371)	\$ (31,615)	NO	NO
9	2010	\$ 754,977		\$ (1,391,873)	\$ (636,896)	\$ 6,245,167	\$ -	\$ (636,896)	\$ (1,458,882)	\$ (58,355)	NO	NO
10	2011	\$ 1,102,980	\$ 7,249,475	\$ (1,382,525)	\$ 6,969,931	\$ 6,884,833	\$ -	\$ 6,969,931	\$ 5,452,693	\$ 218,108	NO	NO
11	2012	\$ 1,272,907	\$ 840,640	\$ (1,380,989)	\$ 732,558	\$ -	\$ (385,207)	\$ 347,351	\$ 6,018,152	\$ 240,726	NO	NO
12	2013	\$ 1,900,344	\$ 3,824,310	\$ (1,382,512)	\$ 4,342,142	\$ -	\$ (966,718)	\$ 3,375,424	\$ 9,634,302	\$ 385,372	NO	NO
13	2014	\$ 2,206,278		\$ (1,366,313)	\$ 839,964	\$ -	\$ (1,607,792)	\$ (767,827)	\$ 9,251,847	\$ 370,074	NO	NO
14	2015	\$ 2,343,169		\$ (1,575,650)	\$ 767,520	\$ -	\$ (1,607,792)	\$ (840,272)	\$ 8,781,649	\$ 351,266	NO	NO
15	2016	\$ 2,399,605		\$ (1,936,288)	\$ 463,317	\$ -	\$ (1,607,792)	\$ (1,144,475)	\$ 7,988,440	\$ 319,538	NO	NO
16	2017	\$ 2,428,201		\$ (1,997,419)	\$ 430,782	\$ -	\$ (1,607,792)	\$ (1,177,009)	\$ 7,130,969	\$ 285,239	NO	NO
17	2018	\$ 2,456,568		\$ (2,357,801)	\$ 98,767	\$ -	\$ (1,607,792)	\$ (1,509,024)	\$ 5,907,183	\$ 236,287	NO	NO
18	2019	\$ 2,484,711		\$ (1,997,020)	\$ 487,691	\$ -	\$ (1,607,792)	\$ (1,120,101)	\$ 5,023,369	\$ 200,935	NO	NO
19	2020	\$ 2,512,634		\$ (1,972,968)	\$ 539,666	\$ -	\$ (1,607,792)	\$ (1,068,126)	\$ 4,156,179	\$ 166,247	NO	NO
20	2021	\$ 2,540,342		\$ (1,823,315)	\$ 717,027	\$ -	\$ (1,607,792)	\$ (890,765)	\$ 3,431,661	\$ 137,266	NO	NO
21	2022	\$ 2,567,839		\$ (1,490,112)	\$ 1,077,727	\$ -	\$ (1,607,792)	\$ (530,065)	\$ 3,038,863	\$ 121,555	NO	NO
22	2023	\$ 2,595,129		\$ (219,274)	\$ 2,375,854	\$ -	\$ (1,607,792)	\$ 768,063	\$ 3,928,480	\$ 157,139	NO	NO
23	2024	\$ 2,631,451		\$ (26,066)	\$ 2,605,385	\$ -	\$ (1,607,792)	\$ 997,593	\$ 5,083,213	\$ 203,329	NO	NO
24	2025	\$ 2,702,210			\$ 2,702,210	\$ -	\$ (1,607,792)	\$ 1,094,419	\$ 6,380,960	\$ 255,238	NO	YES
25	2026	\$ 2,774,385			\$ 2,774,385	\$ -	\$ (1,607,792)	\$ 1,166,593	\$ 7,802,791	\$ 312,112	NO	YES
26	2027	\$ 2,848,002			\$ 2,848,002	\$ -	\$ (1,222,584)	\$ 1,625,418	\$ 9,740,321	\$ 389,613	NO	YES
27	2028	\$ 2,923,093			\$ 2,923,093	\$ -	\$ (641,073)	\$ 2,282,020	\$ 12,411,954	\$ 496,478	NO	YES
	2029	\$ 2,999,685			\$ 2,999,685	\$ -	\$ -	\$ 2,999,685	\$ 15,908,117	\$ 636,325	NO	YES
TOTALS		\$ 47,054,466	\$ 11,914,426	\$ (23,700,453)	\$ 35,268,439	\$ 17,266,951	\$ (24,116,873)	\$ 11,151,566	\$ 15,908,117	\$ 5,392,876		

Based on these amortization assumptions and the underlying TID projection assumptions, *SBFCo* projects that the proposed new Park East TID bonded amount, including costs associated with the Moderne, the dockwall, and the public park, can be amortized by 2025 in the 24th year of the TID. It should be noted that the City of Milwaukee has the ability to regulate the expenditure of the public park cost included in this projection. Further, no additional Park East sites other than the Moderne and those already under development are factored into this analysis, offering additional potential for the TID to realize substantially greater revenues than those included in this feasibility report.

DRAFT

Appendix 1: Construction Cost Review Summary

DRAFT



The Concord Group
Construction Consultants

161 North Clark Street
Suite 2050
Chicago, IL 60601
tel 312.424.0250
fax 312.424.0252

September 3, 2009

Tony Q. Smith, AICP
Practice Leader
S. B. Friedman & Company
221 N. LaSalle, Suite 820
Chicago, IL 60601

RE: Moderne – Updated Construction Cost Review

Dear Mr. Smith:

We have reviewed the updated construction budget prepared by Findorff. This document indicates that Findorff have been working with the architect to refine the design and reduce the estimated construction costs. Along with additional accepted cost savings from alternatives, Findorff also expect to see cost savings when they hard bid selected trades. As the design nears completion, design/estimating contingency is also being reduced.

Based on the information above as supplied by Findorff we believe that the target cost is achievable given the current market conditions and the aggressive bidding environment that currently exists.

Please do not hesitate to contact me if you have any questions.

Sincerely,
The Concord Group

Eamon Ryan
Vice President



The Concord Group

Construction Consultants

ESTIMATE REVIEW COMMENTS

FOR

THE MODERNE SCHEMATIC DESIGN ESTIMATE
(Revision 06112009)

Prepared For:
S. B. Friedman
221 North LaSalle Street
Suite 820
Chicago, IL 60601

Prepared By:
The Concord Group
161 North Clark Street
Suite 2050
Chicago, IL 60601

Date Prepared:
June 19, 2009

OVERVIEW

For the initial review we undertook the following:

- (1) Reviewed Findorff's Schematic Design Estimate (Revision 06112009) provided to us by S. B. Friedman & Company.
- (2) Reviewed the schematic design drawings and associated schematic design narrative to understand the scope of the project.
- (3) Performed take-off of some major project components, such as exterior envelope, structural concrete suspended slabs and interior finishes and major components of MEP systems. These quantities were then priced to reflect current market conditions and a comparative estimate was developed and compared with the Findorff estimate. (See attached estimate and comparison)
- (4) Compared cost/SF and unit costs with pricing for recent projects of similar scope.

COMMENTS

In summary, the following are our comments and recommendations based on our initial review of the documents:

- (1) In general the overall cost of \$115/sqft is reasonable and is in line with similar projects recently completed in Milwaukee.
- (2) General conditions based on 11.52% of estimated total construction costs appear very high for a project of this nature and scope. A percentage of 5% to 6% would, in our opinion, be more appropriate. (It's possible that Findorff has included design contingency in this number, as there is no line item in the estimate that shows what contingency is being carried).
- (3) There are no costs allocated in the estimate for incoming domestic water, sewer, and steam for heating.
- (4) The overall cost for drywall partitions and interior doors, frames and hardware appears high and should be verified.

- (5) The overall cost of the plumbing system at \$3.90/sf seems low considering that this would include a number of plumbing risers (domestic, waste/vent, storm) and piping in the units, deck drains and drainage piping in the parking deck, water heaters, domestic boosters and other miscellaneous equipment and specialties. This cost should be verified.
- (6) The overall cost for HVAC seems high, based on the type of system described in the narrative and should be verified.
- (7) The allowances in the estimate for millwork at the condos seem high and should be verified.
- (8) The lump sum cost for the 3 passenger elevators and 1 freight elevator seems low.

RECOMMENDATIONS

- (1) Request a detailed breakdown of the contractor's general conditions to allow for a more detailed review.
- (2) Request that design contingency be broken out as a separate line item.
- (3) Request a response to our comments (2) through (10) above. Where items are to be verified, a more detailed breakdown should be provided.

[illegible]



	Description	Quantity	Unit	Unit Cost	Subtotal	Total
G	BUILDING SITEWORK					
	Roadways					
	Garage ramp	500	SF	8	\$4,000	
	Concrete paving, 9" colored	500	SF	10	\$5,000	
	Curb & gutter	300	LF	25	\$7,500	
	Planter curb	80	LF	40	\$3,200	
	Subtotal					\$19,700
	Pedestrian Paving					
	Concrete sidewalk, 5"	1,500	SF	5	\$7,500	
	Concrete sidewalk, 5" colored	2,500	SF	8	\$20,000	
	Miscellaneous paving etc.	1	LS	2,500	\$2,500	
	Subtotal					\$30,000
	Site Development					
	Exterior Signage	1	LS	10,000	\$10,000	
	Subtotal					\$10,000
G	TOTAL: BUILDING SITEWORK					\$59,700
A	STRUCTURE					
	Standard Foundation					
	Mat Foundation, 6'-10" deep	3,531	CY	215	\$759,069	
	Subtotal					\$759,069
	Special Foundations					
	Earth retention	7,650	SF	36	\$275,400	
	Dewatering allowance	1	LS	60,000	\$60,000	
	Underpinning allowance	1	LS	30,000	\$30,000	
	Subtotal					\$365,400
	Slab-on-Grade					
	Slab-on-grade on compacted fill	13,950	SF	5.0	\$69,750	
	Subtotal					\$69,750
	Basement Excavation					
	Excavation & haulaway	6,200	CY	22	\$136,400	
	Subtotal					\$136,400
	Basement Walls					
	Basement Walls	307	CY	650	\$199,550	
	Foundation waterproofing	5,522	SF	4	\$22,088	
	Subtotal					\$221,638
	TOTAL: STRUCTURE					\$1,552,257
B	SHELL					
	Elevator/Stair Walls					
	Elevator/Stair Walls	2,777	CY	425	\$1,180,225	
	Subtotal					\$1,180,225
	Floor Construction					
	Post-tensioned concrete slab	384,652	SF	10	\$3,846,520	
	Concrete columns	398,602	SF	3	\$1,195,806	
	Concrete beams	398,602	SF	2.50	\$996,505	
	Miscellaneous structural steel	398,602	SF	0.50	\$199,301	
	Miscellaneous metals	1	LS	25,000	\$25,000	
	Roof structure including penetrations, flashing etc.	11,954	SF	15	\$179,310	
	Firestopping	30	EA	4,000	\$120,000	
	Subtotal					\$6,562,442



Description	Quantity	Unit	Unit Cost	Subtotal	Total
Exterior Walls					
Stone-veneer facing	3,270	SF	35	\$114,450	
Ribbed metal panel cladding w/integral louvers	2,273	SF	38	\$86,374	
Metal panel system	5,468	SF	32	\$174,976	
Pre-cast concrete panels	69,892	SF	36	\$2,516,112	
Balcony railings	2,086	LF	125	\$260,750	
Miscellaneous caulking and sealants	398,602	SF	1	\$398,602	
Subtotal					\$3,551,264
Exterior Windows					
Aluminum curtainwall	3,585	SF	65	\$233,025	
Aluminum curtain wall system, curved/segmented	16,139	SF	90	\$1,452,510	
Aluminum windows	68,382	SF	55	\$3,761,010	
Aluminum storefront	7,741	SF	35	\$270,935	
Window wall mechanical screening	2,257	SF	38	\$85,766	
Subtotal					\$5,803,246
Exterior Doors					
Aluminum doors (glazed) with frames	12	EA	3,000	\$36,000	
Revolving entrance	1	LS	30,000	\$30,000	
Overhead Doors	5	EA	3,000	\$15,000	
Subtotal					\$81,000
Roofing					
Roofing including penetrations, flashing etc.	11,954	SF	16	\$191,264	
Subtotal					\$191,264
B TOTAL: SHELL					\$17,369,441
C INTERIORS					
Partitions					
Partitions, CMU	3,438	SF	14	\$48,132	
Partitions, corridor	100,206	SF	6.50	\$651,339	
Partitions, typical	226,980	SF	5	\$1,134,900	
Miscellaneous wood blocking	398,602	SF	1	\$398,602	
Subtotal					\$2,232,973
Interior Doors/Glazing					
Apartment entrance door, frame & hardware	171	EA	850	\$145,350	
Condo entrance door, frame & hardware	43	EA	950	\$40,850	
Interior door, frame & hardware	738	EA	550	\$405,900	
Miscellaneous door, frame & hardware	54	EA	800	\$43,200	
Cloest doors - apartments	127	EA	250	\$31,750	
Miscellaneous interior glazing	1	LS	50,000	\$50,000	
Subtotal					\$717,050
Specialties					
Toilet accessories - apartment/flex units	203	EA	200	\$40,600	
Toilet accessories - condos	14	EA	400	\$5,600	
Mailboxes	1	LS	10,000	\$10,000	
Closet systems	14	EA	2,000	\$28,000	
Subtotal					\$84,200
Stairs					
Metal Stairs with railings per 2 flights & 1 landing	61	EA	6,000	\$366,000	
Concrete cast-in-place stairs at parking lots	6	EA	2,500	\$15,000	
Subtotal					\$381,000



Description	Quantity	Unit	Unit Cost	Subtotal	Total
Wall Finishes					
Paint gypboard partitions	654,372	SF	0.80	\$523,498	
Paint concrete/masonry partitions	149,958	SF	0.90	\$134,962	
Paint exposed ceiling	97,517	SF	1	\$97,517	
Subtotal					\$755,977
Floor Finishes					
Concrete sealer	97,517	SF	1	\$97,517	
Ceramic Tile - apartments/flex units	19,560	SF	10	\$195,600	
Ceramic Tile - condos	5,500	SF	12	\$66,000	
Ceramic Tile - common areas	3,500	SF	10	\$35,000	
Carpet - apartment/flex units	175,875	SF	3.50	\$615,563	
Carpet - condos	59,050	SF	4	\$236,200	
Carpet - common areas	23,500	SF	4	\$94,000	
Wood flooring with acoustical mat	14,500	SF	14	\$203,000	
Subtotal					\$1,542,880
Ceiling Finishes					
Gypboard ceiling	290,035	SF	5	\$1,305,158	
Acoustical ceiling	25,000	SF	3.85	\$96,250	
Decorative ceiling	1	LS	10,000	\$10,000	
Subtotal					\$1,411,408
C TOTAL: INTERIORS					\$7,125,487
D SERVICES					
Conveying					
Geared traction service freight elevators, 4000 lbs, 31 stops, 200 fpm, Class A	1	EA	426,000	\$426,000	
Geared traction public passenger elevators, 2500 lbs, 20 stops, 200 fpm	2	EA	315,000	\$630,000	
Geared traction public passenger elevators, 2500 lbs, 31 stops, 200 fpm	1	EA	449,000	\$449,000	
Subtotal					\$1,505,000
Plumbing					
Plumbing Equipment and Specialties:					
Heat exchangers, steam/hot water	1	LS	15,000	\$15,000	
Domesitc boosters	3	EA	25,000	\$75,000	
HW circulating pumps	1	LS	8,000	\$8,000	
Elevator sump pump	1	EA	1,500	\$1,500	
Allowance for sump pumps	1	LS	15,000	\$15,000	
Cleanouts, floor, trench drains	1	LS	75,000	\$75,000	
Pipe Including Fittings, Valves, and Supports:					
Allowance for domestic, sanitary, vent, storm piping & insulation including pipe & valve tagging, system testing and balancing	1	LS	1,490,000	\$1,490,000	
Subtotal					\$1,679,500



Description	Quantity	Unit	Unit Cost	Subtotal	Total
Plumbing Fixtures					
Water closets, residential tank-type	304	EA	750	\$228,000	
Lavatories, integral vanity (fixture by others), faucet, hookup	313	EA	700	\$219,100	
Showers	97	EA	1,000	\$97,000	
Tub/shower combination	184	EA	1,400	\$257,600	
Jacuzzi/whirlpool fixture	11	EA	5,500	\$60,500	
Kitchen sinks, stainless steel	220	EA	900	\$198,000	
Bar sinks, stainless steel	31	EA	850	\$26,350	
Washer/dryer box & hookup	220	EA	250	\$55,000	
Dishwasher connections	220	EA	200	\$44,000	
Mop basin (Level 1)	1	EA	1,600	\$1,600	
Subtotal					\$1,187,150
HVAC					
Apartments/Condominiums:					
Level 8:					
Fancoil unit, 4-pipe, 1.5 tons	6	EA	2,500	\$15,000	
Distribution ductwork and grilles (per unit)	6	EA	800	\$4,800	
Toilet exhaust fan w/exhaust duct and cap	6	EA	300	\$1,800	
Fancoil unit, 4-pipe, corridor & elevator lobby	1	EA	4,000	\$4,000	
Ductwork and insulation, corridor & elevator lobby	1	EA	4,200	\$4,200	
Level 9 - 19:					
Fancoil unit, 4-pipe, 1.5 tons	121	EA	2,500	\$302,500	
Distribution ductwork and grilles (per unit)	121	EA	800	\$96,800	
Toilet exhaust fan w/exhaust duct and cap	121	EA	300	\$36,300	
Fancoil unit, 4-pipe, corridor & elevator lobby	11	EA	4,000	\$44,000	
Ductwork and insulation, corridor & elevator lobby	11	EA	4,200	\$46,200	
Levels 20 - 23:					
Fancoil unit, 4-pipe, 1.5 tons	44	EA	2,500	\$110,000	
Distribution ductwork and grilles (per unit)	44	EA	800	\$35,200	
Toilet exhaust fan w/exhaust duct and cap	Central exhaust				
Electric baseboard	1,200	LF	40	\$48,000	
Levels 24 - 28:					
Fancoil unit, 4-pipe, 1.5 tons	50	EA	2,500	\$125,000	
Distribution ductwork and grilles (per unit)	50	EA	800	\$40,000	
Toilet exhaust fan w/exhaust duct and cap	Central exhaust				
Electric baseboard	1,500	LF	40	\$60,000	
Level 29:					
Fancoil unit, 4-pipe, 1.5 tons	6	EA	2,500	\$15,000	
Distribution ductwork and grilles (per unit)	6	EA	800	\$4,800	
Toilet exhaust fan w/exhaust duct and cap	Central exhaust				
Electric baseboard	300	LF	40	\$12,000	
Level 30:					
Fancoil unit, 4-pipe, 1.5 tons	6	EA	2,500	\$15,000	
Distribution ductwork and grilles (per unit)	6	EA	800	\$4,800	
Toilet exhaust fan w/exhaust duct and cap	Central exhaust				
Electric baseboard	300	LF	40	\$12,000	
Central Heating & Cooling Plant:					
Heat exchangers, steam/hot water	3	EA	10,000	\$30,000	
HW pumps, primary	3	EA	6,000	\$18,000	
HW pumps, secondary	2	EA	10,000	\$20,000	
Hydronic pump specialties	1	LS	45,000	\$45,000	
Chillers, centrifugal, 450 tons total (2 @225 tons ea.)	2	EA	95,000	\$190,000	
HW pumps, primary	2	EA	6,000	\$12,000	
HW pumps, secondary	2	EA	10,000	\$20,000	
Hydronic pump specialties	1	LS	45,000	\$45,000	
Cooling tower	1	EA	60,000	\$60,000	
CT sump	1	LS	20,000	\$20,000	
Condenser water pumps	2	EA	15,000	\$30,000	
Hydronic pump specialties - CT pumps	1	LS	35,000	\$35,000	
Unit heaters	1	LS	6,000	\$6,000	



Description	Quantity	Unit	Unit Cost	Subtotal	Total
Centralized Ventilation Systems:					
Level 8:					
AHU, fitness center, w/ductwork	1	LS	22,000	\$22,000	
Exhaust system - fitness center	1	LS	5,000	\$5,000	
Level 20-23:					
Toilet exhaust fan	4	EA	1,200	\$4,800	
Exhaust ductwork (per floor)	4	EA	4,000	\$16,000	
Level 24-28:					
Toilet exhaust fan	5	EA	1,200	\$6,000	
Exhaust ductwork (per floor)	5	EA	4,000	\$20,000	
Level 29:					
Toilet exhaust fan	1	EA	1,200	\$1,200	
Exhaust ductwork (per floor)	1	EA	4,000	\$4,000	
Level 30:					
Toilet exhaust fan	1	EA	1,200	\$1,200	
Exhaust ductwork (per floor)	1	EA	4,000	\$4,000	
Lower/Parking Levels:					
Level B1:					
MAU, gas-fired, 6800 cfm	1	EA	14,000	\$14,000	
OA duct to MAU	1	LS	2,000	\$2,000	
Exhaust fan, inline	1	EA	2,500	\$2,500	
OA, EA louvers	2	EA	2,000	\$4,000	
CO detection	1	LS	3,000	\$3,000	
Electrical, generator room exhaust fan, 25,000 cfm	2	EA	18,000	\$36,000	
Exhaust ductwork, electrical room	1	LS	8,000	\$8,000	
Level 1:					
Unit heaters, gas-fired, w/flue and gas connections	4	EA	2,800	\$11,200	
Hydronic unit heaters (temp. heat - retail spaces)	1	LS	8,000	\$8,000	
AHU - Apartment, condo lobby	1	EA	7,000	\$7,000	
OA louver to AHU	1	EA	2,000	\$2,000	
Ducted distribution	1	LS	2,000	\$2,000	
Levels 2 thru 7:					
MAU, gas-fired, 6800 cfm	7	EA	14,000	\$98,000	
OA duct to MAU	7	EA	1,500	\$10,500	
Exhaust fan, inline	7	EA	2,500	\$17,500	
OA, EA louvers	14	EA	2,000	\$28,000	
CO detection	1	LS	20,000	\$20,000	
Roof:					
Unit heaters	1	EA	2,000	\$2,000	
OA, EA louvers	1	LS	7,000	\$7,000	
Misc.:					
Unit heaters - gas-fired, elevator equipment room	1	EA	3,500	\$3,500	
Cabinet unit heaters, stairs	1	LS	90,000	\$90,000	
Piping:					
Allowance for steam, condensate, CHW, HW, cooling tower, gas, and misc. piping throughout building	1	LS	800,000	\$800,000	
Controls - Central Equipment:					
Heat exchangers, steam/hot water	3	EA	5,500	\$16,500	
HW pumps, primary	3	EA	1,200	\$3,600	
HW pumps, secondary	2	EA	3,000	\$6,000	
Chillers, centrifugal, 450 tons total (2 @225 tons ea.)	2	EA	1,200	\$2,400	
HW pumps, primary	2	EA	1,200	\$2,400	
HW pumps, secondary	2	EA	3,000	\$6,000	
Cooling tower	1	EA	5,000	\$5,000	
Condenser water pumps	2	EA	1,200	\$2,400	
AHU, fitness center, w/ductwork	1	EA	2,000	\$2,000	
Exhaust system - fitness center	1	LS	2,000	\$2,000	
Toilet exhaust fans - floor 20-30	11	EA	2,500	\$27,500	
Makeup/exhaust air unit - floors 20-30 - 8800 cfm, CHW, HW coil	1	EA	5,000	\$5,000	



Description	Quantity	Unit	Unit Cost	Subtotal	Total
Stairway pressurization fans, 30,000 cfm, inline, w/VFD	2	EA	5,000	\$10,000	
Split AC units - elevator equipment room	1	EA	3,500	\$3,500	
Recirculating fan w/charcoal filter - trash room	23	EA	2,200	\$50,600	
Miscellaneous points & devices	1	LS	20,000	\$20,000	
Engineer's station	1	EA	15,000	\$15,000	
Engineering, testing, and training	1	EA	25,000	\$25,000	
Tagging, Test & Balance, and Commissioning:					
Air balancing	1	LS	15,000	\$15,000	
Pipe and valve tagging	1	LS	25,000	\$25,000	
Pipe testing and balancing	1	LS	40,000	\$40,000	
System commissioning	1	LS	50,000	\$50,000	
Subtotal					\$3,163,700
Fire Protection					
Sprinkler systems	398,602	SF	1.50	\$597,903	
Subtotal					\$597,903
Electrical					
Electrical systems	398,602	SF	9.25	\$3,687,069	
Subtotal					\$3,687,069
D TOTAL: SERVICES					\$11,820,322
E EQUIPMENT & FURNISHINGS					
Miscellaneous equipment:					
Appliances - aptmts/flex units	203	EA	2,500	\$507,500	
Appliances - condos	5	EA	15,000	\$75,000	
Appliances - condos	1	EA	20,000	\$20,000	
Appliances - condos	8	EA	25,000	\$200,000	
Trash chute	427	LF	125	\$53,375	
Fireplaces	14	EA	7,500	\$105,000	
Subtotal					\$960,875
Fixed Furnishings					
Apartments/Flex units:					
Countertops	1,716	LF	65	\$111,540	
Base cabinet with countertops	2,555	LF	200	\$511,000	
Wall cabinets	1,183	LF	125	\$147,875	
Shelving & pole	2,776	LF	15	\$41,640	
Bathroom countertop & vanities	203	EA	500	\$101,500	
Condos:					
Countertops	248	LF	125	\$31,000	
Base cabinet with countertops	324	LF	350	\$113,400	
Wall cabinets	164	LF	300	\$49,200	
Shelving & pole	480	LF	25	\$12,000	
Bathroom countertop & vanities	28	EA	1,000	\$28,000	
Bathroom countertop & vanities, double	9	EA	2,000	\$18,000	
Miscellaneous millwork	398,602	SF	1.50	\$597,903	
Subtotal					\$1,763,058
E TOTAL: EQUIPMENT & FURNISHINGS					\$2,723,933

The Moderne
Base Building
Comparison

SD Estimate
June 19, 2009

TRADE SECTION	CONCORD	FINDORFF TOTALS			SUBTOTALS					
		COST	DEVIATION		COST	DEVIATION				
	\$	\$	\$	%	\$	\$	%			
BUILDING SITEWORK	59,700	59,058	(642)	-1.09%						
Site Improvement	19,700				18,413	(1,287)	-6.99%			
Pedestrian Paving	30,000				30,645	645	2.10%			
Site Development	10,000				10,000	0	0.00%			
STRUCTURE	1,552,257	1,547,576	(4,681)	-0.30%						
Standard Foundation	759,069				742,561	(16,508)	-2.22%			
Special Foundations	365,400				372,995	7,595	2.04%			
Slab on Grade	69,750				42,104	(27,646)	-65.66%			
Basement Excavation	136,400				167,000	30,600	18.32%			
Basement walls	221,638				222,916	1,278	0.57%			
SHELL	17,369,441	17,078,840	(290,601)	-1.70%						
Elevator/Stair Walls	1,180,225				0	(1,180,225)				
Floor Construction	6,562,442				6,912,291	349,849	5.06%			
Exterior Walls	3,551,264				3,316,107	(235,157)	-7.09%			
Exterior Windows	5,803,246				6,549,463	746,217	11.39%			
Exterior Doors	81,000				65,452	(15,548)	-23.75%			
Roofing	191,264				235,527	44,263	18.79%			
INTERIORS	7,125,487	8,510,033	1,384,546	16.27%						
Partitions	2,232,973				3,473,768	1,240,795	35.72%			
Interior Doors	717,050				1,217,449	500,399	41.10%			
Specialties	84,200				76,966	(7,234)	-9.40%			
Stairs	381,000				290,000	(91,000)	-31.38%			
Wall Finishes	755,977				743,200	(12,777)	-1.72%			
Floor Finishes	1,542,880				1,476,338	(66,542)	-4.51%			
Ceiling Finishes	1,411,408				1,232,312	(179,096)	-14.53%			
SERVICES	11,820,322	10,121,366	(1,698,956)	-16.79%						
Conveying	1,505,000				1,200,000	(305,000)	-25.42%			
Plumbing	1,679,500				1,275,800	(403,700)	-31.64%			
Plumbing Fixtures	1,187,150				279,776	(907,374)	-324.32%			
HVAC	3,163,700				3,564,300	400,600	11.24%			
Fire Protection	597,903				550,400	(47,503)	-8.63%			
Electrical	3,687,069				3,251,090	(435,979)	-13.41%			
EQUIPMENT & FURNISHINGS	2,723,933	3,322,550	598,617	18.02%						
Miscellaneous Equipment	960,875				906,023	(54,852)	-6.05%			
Fixed Furnishings	1,763,058				2,416,527	653,469	27.04%			
SUBTOTAL	\$40,651,140	\$40,639,423	(\$11,717)	-0.03%	\$40,639,423	(\$665,186)	-0.03%			
General Conditions / Insurance	2,439,068	4,682,692	2,243,624	47.91%	4,682,692	2,243,624	47.91%			
Contractor's Fees	1,077,255	816,501	(260,754)	-31.94%	816,501	(260,754)	-31.94%			
Design Contingency	2,208,373	0	(2,208,373)		0	(2,208,373)				
TOTAL ESTIMATED CONSTRUCTION COSTS	\$46,375,836	\$46,138,616	(\$237,220)	-0.51%	\$46,138,616	(\$890,689)	-0.51%			

Appendix 2: TID Projection and Pro Forma Detail

DRAFT

City of Milwaukee- Moderne Loan Analysis
Table A-1: Loan Draws and Repayment
During Construction

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[illegible]

Source: Milwaukee Moderne, LLC and S. B. Friedman & Company

City of Milwaukee- Moderne Loan Analysis
Table A-1: Loan Draws and Repayment
During Construction

DRAFT

		May-11	Jun-11	Jul-11	Aug-11	COMPLETION												YEAR 1												YEAR 2																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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City of Milwaukee- Moderne Loan Analysis
Table A-1: Loan Draws and Repayment
During Construction

		Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
Hard Costs Spent																			
Soft Costs Spent																			
Developer Fee Paid																			
USES																			
Land and Predev Costs	\$	2,612,444																	
Hard Costs	\$	43,251,855																	
Soft Costs	\$	4,770,221																	
Construction Interest	\$	2,355,108																	
Developer Fee (Un-Deferred)	\$	1,714,132																	
TOTAL	\$	54,703,760																	
COMMITTED SOURCES AT CLOSING																			
Equity	\$	4,912,012																	
City Mezz	\$	4,000,000																	
City Base	\$	6,000,000																	
NOI During Construction	\$	594,196																	
Senior Debt	\$	40,188,911																	
TOTAL	\$	55,695,119																	
REPAYMENT SOURCES																			
NOI		\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,721.68	\$ 23,721.68	\$ 23,721.68	\$ 23,721.68	\$ 23,721.68	\$ 23,721.68	\$ 23,721.68	\$ 23,721.68	\$ 23,721.68	\$ 23,721.68	\$ 23,721.68	\$ 23,721.68
Condo Sales	\$	-	\$ 2,325,000	\$ -	\$ -	\$ 837,000	\$ 548,700	\$ -							\$ 929,070				
Total Repayment Sources	\$	-	\$ 2,348,722	\$ 23,722	\$ 23,722	\$ 860,722	\$ 572,422	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 952,792	\$ 23,722	\$ 23,722	\$ 23,722
LOAN REPAYMENT																			
City Mezz	100%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Base	0%	\$ -	\$ 2,348,722	\$ 23,722	\$ 23,722	\$ 860,722	\$ 513,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Distribution	\$	\$ -	\$ -	\$ -	\$ -	\$ 59,183	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 952,792	\$ 23,722	\$ 23,722	\$ 23,722
TOTAL	\$	-	\$ 2,348,722	\$ 23,722	\$ 23,722	\$ 860,722	\$ 572,422	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 23,722	\$ 952,792	\$ 23,722	\$ 23,722	\$ 23,722
INTERIM INTEREST																			
City Mezz	Balance	14.74%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Accruing Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Base	Balance		\$ 1,396,558	\$ 1,380,296	\$ 1,363,948	\$ 510,512	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Accruing Interest	6.41%	\$ 19,899.7	\$ 7,459.9	\$ 7,373.1	\$ 7,285.8	\$ 2,727.0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Senior Debt	Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Pmt of Capitalized Interest	6.41%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: Milwaukee Moderne, LLC and S. B. Friedman & Company

Table A2: Project Phasing Assumptions

[illegible]



Office of the Comptroller

October 23, 2009

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

Members of the Zoning, Neighborhoods
& Development Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

RE: Park East TID 48 Adjustment – Moderne Project

Dear Committee Members:

The File before your Committee authorizes additional funding for TID 48 in the amount of \$12.1 million including \$1.1 million in capitalized interest. The additional funding would support activities contemplated but not funded in the original Project Plan for the Park East (TID 48). Specifically, additional TID funding would include \$9.3 million in loans for the Moderne condominium and apartment complex, \$850,000 for the construction of a City owned public park within TID 48, and \$850,000 for prior DCD administrative expenses. The File also approves the terms of a Development Agreement between the City and Milwaukee Moderne, LLC (“Developer”) for the construction of the 30-story Moderne Project.

The Moderne Project is to be located in the Park East TID on the southwest corner of Old World Third Street and West Juneau Avenue. The complex would include 203 apartment units, street-level retail, 204 structured parking spaces and 14 luxury condominium units on the top three floors of this building. The average monthly rent of the 203 apartment units would be \$2,037, or \$1.90 per s.f. The average sale price of the 14 condominium units is \$939,000, ranging from \$243,000 to \$2.5 million. The monthly condominium fee is \$875.

Total public and private funding associated with this TID 48 adjustment is \$58 million. Total costs for the Moderne Project are \$55.2 million, supported by \$41.4 million HUD 221(d) 4 guaranteed loan, \$9.3 million in City TID funds and \$4.5 million in past Developer project specific investment and new equity. In addition to direct financial assistance to the Moderne Project, the proposed TID spending provides \$2.8 million of funding for a new downtown public park bounded by Broadway, Water and Ogden Streets, and for DCD administrative expenditures already incurred and capitalized interest. The sources and uses of funding by project component are as follows:

TID 48 ADJUSTMENT SOURCES AND USES OF FUNING
(Dollars in Millions)

	Total		Apartments		Condominiums		Other TID Exp	
<u>SOURCES</u>								
HUD 221(d) 4 Loan	41.4	71%	41.4	87%	-	0%	-	0%
City TID Loans	9.3	16%	1.5	3%	7.8	100%	-	0%
Other City TID Project Costs	2.8	5%	-	0%	-	0%	2.8	100%
Developer Sunk Costs & Equity	3.6	6%	3.6	8%	-	0%	-	0%
Deferred Developer Fee	0.9	2%	0.9	2%	-	0%	-	0%
TOTAL	\$ 58.0	100%	\$ 47.4	100%	\$ 7.8	100%	\$ 2.8	100%
<u>USES</u>								
Land & Hard Cosrs	44.8	77%	37.3	79%	7.5	96%	-	0%
Soft Cost	8.5	15%	8.2	17%	0.3	4%	-	0%
Developer Fee & Overhead	1.9	3%	1.9	4%	-	0%	-	0%
Moderne Project Costs	55.2		47.4		7.8		-	
Capitalized Interest	1.1	2%	-	0%	-	0%	1.1	39%
Public Park	0.9	2%	-	0%	-	0%	0.9	32%
DCD Administration	0.8	1%	-	0%	-	0%	0.8	29%
Other TID Costs	2.8		-		-		2.8	
TOTAL	\$ 58.0	100%	\$ 47.4	100%	\$ 7.8	100%	\$ 2.8	100%

Funding for the Modern apartments, parking and retail component (“Apartments”) would be secured by the Department of Housing and Urban Development (HUD) 221(d) 4 program which provides FHA mortgage insurance to HUD approved lenders. The mortgage insurance protects the Lender, AFL-CIO Investment Trust, from risk of default. Capmark Financial Group would service this loan which is currently estimated at \$41.4 million. Developer would provide its \$4.5 million in prior Developer expenses, new equity and deferred developer fee investment, and as presented by the Developer, the City would provide \$1.5 million in loan funds toward the Apartments for a total \$47.4 million. **The Federal HUD loan guarantee is restricted to Apartment financing only and does not apply to the condominium component of the Project.** The term of the HUD loan is 40 years plus the construction period and is secured by a first mortgage on the rental income from the apartment, parking and retail component of the Project. **The City would have a second mortgage lien on the Apartments.** FHA has reviewed the preliminary financing proposal for the Project and has invited Developer to submit its application for formal underwriting, which is expected to be completed within 60 days of submission.

The second largest source of funding for the Moderne Project would be \$9.3 million in City TID loans consisting of a \$3.3 million “mezzanine”¹ loan, a \$6 million construction completion loan. In addition, TID funding includes \$2.8 million for a public park, City administrative expenses and initial interest costs. The term of the City TID loans is four years including the construction period. **The City loans are secured by a first mortgage on the condominium portion of the Project.** The City mezzanine loan has a minimum interest rate of 14 percent and the City construction completion loan has an interest rate of around 6.5 percent. Additional security for these loans is a second mortgage on the Apartments and any residual income from this component. The mezzanine loan is also secured by 50 percent of Developer’s equity interest in the project (\$2.3 million) and the construction completion loan carries the personal guarantees of two Developer equity partners. As presented by the Developer, **of the \$9.3 million of City TID loans, \$7.8 million provides the entire condominium financing, with the remaining \$1.5 million financing about three percent of the Apartment component.**

The remaining \$4.5 million of Project financing is from Developer-equity sources, including \$2.7 million in Developer prior year (“sunk”) costs and up to \$1.8 million new equity including \$700,000 in deferred Developer fees. The Developer fee consists of \$1.4 million received during the course of construction and the above \$700,000 upon construction completion. Most of the Developer’s investment has already occurred including past land acquisition and other costs to continue with the Project.

The Developer initially proposed a hotel-condominium project for this site in early 2007 to be 100 percent privately financed. The current Project is mainly an apartment development, of which over 90 percent is City of Milwaukee TID financed or guaranteed by the Federal government. In addition, 14 condominium units have been proposed, to be financed 100 percent by the City of Milwaukee with City loan funds.

Is the Project Likely to be Successful?

To the extent that the project can acquire \$41.4 million in FHA guaranteed loan funds, \$9.3 million in City loans and \$2.8 million in related City TID proceeds, completion is likely. These government sponsored financing sources comprise about 92% of the total TID adjustment project sources, and thus assume the vast majority of project risk. A review of the construction budget shows a budgeted contingency of \$1.5 million, or 2.7 percent of the total Project budget. Typically a project of this nature would have a construction contingency closer to 5% of total project costs, so there is some potential construction completion risk should costs escalate beyond that amount, although the independent Concord Group has examined the construction budget and overall, concluded that the budget is sufficient to complete the project. Also, a guaranteed maximum price contract would provide protection on construction completion risk.

The fundamental risk to overall project success is lease up of the 203 apartments units and sale of the 14 condominium units. The current real estate market poses a significant risk for adequate lease up of the Apartments. However, a DCD sponsored market study concludes that the Apartments should achieve adequate lease up. Developer projections show

¹ “Mezzanine” loan for the Moderne project refers to a high interest rate projected six year City loan paid from available cash from all sources after operating expenses, reserves and apartment first mortgage loan payment satisfied.

stabilized apartment lease up by early 2013. The Federal HUD Office has reviewed this study, and should HUD provide financing, we are not in a position to challenge their conclusion that the proposed apartment rents could be achieved. Moreover, the entity assuming the bulk of Apartment lease up risk is Federal HUD, the guarantor of the \$41.4 million first mortgage Apartments loan. The City risk related to the Apartment component is limited to \$1.5 million.

The major project risk facing the City is the failure to sell the condominium units at the projected \$939,000 average unit price, ranging from \$243,000 to \$2.4 million for a penthouse. These units are financed solely by \$7.8 million in City loans. The condo component incorporated into the project to provide cash flow for a projected \$5 million in Developer profits from condo sales. Therefore, both the success of the Moderne Project and the repayment of the City's \$7.8 million in loan funds depend upon the successful sale of the condos.

DCD indicates that four of the fourteen condo units have been reserved with up to five percent reservation commitments, which at closing could result in as much \$5 million in proceeds. Even so, private financing could not be obtained for the project. Given current credit constraints and the depressed state of the local condominium market, City financing of the condo component is clearly a speculative venture facing major financial risks. DCD believes it is "...unlikely that the project will be unable to sell two units per year to sell out the condo component." Whatever the result, **unlike the Apartment component, should condo units remain unsold, the incidence of financial loss falls to the City.**

DCD has incorporated provisions in the Term Sheet to mitigate this risk. City loan repayment precedes Developer operating cash flows on both the apartment and condominium revenue. The City loan term sheet provides for personal guarantees by the equity investors and a 50 percent equity ownership in the even of default. Also, as previously mentioned, four of the 14 units have already attracted condo buyer deposits, each apparently totaling five percent of the purchase price. But as recent foreclosure actions on local condominium projects clearly demonstrate², personal developer guarantees and buyer deposits may prove insufficient when a project is in financial trouble.

Given the complexity of this financing, should the condo sales not proceed as planned and default on a City loan occurs, the City's financial exposure could extend the City's involvement far beyond the projected 2013-2014 final City loan repayment date. At our request on October 12th, a general default provision has been incorporated into the Loan Term Sheet. As of the date of this letter, the details behind this provision have yet to be negotiated with the Developer. The conditions under which the City would take title to the condominiums have not been negotiated. Given the number of parties involved in the project, the default provisions could be complex. Provisions such as the definition of events of default, cure periods (the time allowed to remedy the default), penalty and cross-default provisions, need to be agreed upon. These are not mere technical details, but can have a dramatic impact on the ultimate financial outcome for the City.

Is the Proposed Level of City Assistance Necessary?

Analyzing the necessity of TID assistance to a project involves examining the Developer's return on investment. The objective is to determine what minimum level of City of Milwaukee financial assistance is needed to produce the necessary return to induce the Developer to move the project forward to completion. Of the Developer's projected \$4.5 million investment, \$1.8 million is estimated being spent in 2010 and 2011, with the other \$2.7 million already spent in 2006-2009. Therefore, in order for the development to move forward, the City should provide only that financial assistance necessary to enable the HUD loan to close and induce an additional \$1.8 million in private equity investment.

Using the DCD consultant projections³, we calculate a 23% annual rate of return of investment to Developer over the project's projected 10 year life. This return is largely generated from a more than \$5 million profit from sales of all the condos and in addition, the sale value of the Apartments component at the end of year 10. Given the limited *future* Developer's investment (up to \$1.8 million) and the extensive risk borne by the City for sale of 14 condominiums, we find this rate of return well above what would be expected *relative to the level of private investor risk incurred*.

² Wisconsin Tower (74 residential and four commercial condominium units); Park Lafayette Condominium Towers (281 units) : Milwaukee Journal Sentinel; Tom Daykin; October 10, 2009 and October 16, 2009.

³ The projections were provided by S. B.Friedman & Company, October 9, 2009. We calculated Internal Rate of Return assuming the actual dollar value of equity investment to date.

Entering into this agreement at the proposed levels of City financial sets a significant precedent. Providing \$9.3 million in loan funds directly to aid the construction of high end condos (\$7.8 million) and apartments (\$1.5 million), the City would open a new level of taxpayer assistance to private development. In the past the City has assisted many successful downtown apartment and condominium developments through street and streetscape improvements, riverwalk and dockwall financing, small parks and open space, pedestrian bridges, etc. These were all public improvements. The only material direct City financial assistance to residential development has occurred for middle and low income projects (City Homes on West Walnut Street is an example.)

DCD indicates that given current market conditions, without the proposed \$9.3 million in City loans, the apartment –retail-parking-condo project would not proceed. But should the Moderne project be approved as proposed, the City of Milwaukee would now be in the condominium financing business and could reasonably expect other downtown developers to propose similar levels of assistance for future projects. This means that City officials will need to develop a set of condo/apartment program requirements and benchmarks to manage the risk the City is willing to bear and to provide a basis for approval or rejection of subsequent requests for City financial assistance. Such requirements should address minimum private cash equity investment, maximum City assistance as a percent of total project cost, percent pre-sale commitments, targeted City development area, job creation, etc. However such a program is established, ultimately City officials will have to decide what priority the financing of high end condominiums/apartments holds versus other more conventional City purposes such as streets, sewers, low income housing, etc.

Recommendations

1. Should your Committee wish to proceed with this File as proposed, recognize that the City of Milwaukee is assuming a significant risk of non payment given the current state of the downtown condominium market. No one knows what this market will look like two years from now, but we do know that commercial lenders are not willing to assume the risk. You should also realize that with this project the City would for the first time extend significant, direct taxpayer financial assistance to the high end housing market.

As of the date of this letter, default provisions regarding the City loans have not been negotiated. Thus, the conditions under which the City could take title to the condo units are not yet laid out. Given the size of the City's investment and the complexity of the default provisions when multiple, competing interests are involved as in this project, prompt resolution of this issue is essential to the City. Therefore, should your Committee wish to proceed with this proposal, once the default terms have been negotiated, we recommend that these provisions be reviewed and approved by your Committee.

2. Should your Committee find the project as proposed too risky but wish to attempt to capture the significant funds supporting the Apartments component, we would recommend that DCD re-examine the current Moderne project approach, focusing only on accomplishing the Apartments (apartments/retail/parking) component. Financed principally with City of Milwaukee loan funds, the condominium component of the Moderne Project provides added profit to the Developer – a portion of which may be beyond the amount necessary to get the Apartments component accomplished. The objective would be to identify a minimum City guarantee and/or other financial assistance needed to accomplish the construction of the Apartments component while still retaining a HUD loan guarantee for first mortgage financing of this component. The current proposed City loan commitment for the Apartments component is only \$1.5 million. If proved feasible, this modified approach could reduce the City's financial exposure well below the proposed \$9.3 million in City loans.

3. An amount of \$850,000 is being requested as part of this proposal to reimburse the DCD for administrative expenditures including significant past TID 48 project costs. As we understand it, the DCD has implemented new controls which will help minimize these cost overruns in the future. As new TIDs are considered, we recommend that the DCD report to your Committee on the impact of these new procedures in controlling future TID project administrative costs.

Should you have any questions about this letter, please contact me at your convenience.

Sincerely,



W. Martin Mories
Comptroller

Cc Richard Marcoux, Lori Lutzka, Allison Rozek Cdk/Mjd/Wmm/10-23-09

Term Sheet
The Moderne Project
Loan Agreement between The Milwaukee Moderne, LLC and the City of Milwaukee
October 21, 2009

<u>Project:</u>	<p>The City of Milwaukee will fund two project loans to assist with the development of The Moderne mixed-use project located at the southwest corner of Juneau Avenue and Old World Third Street in the Park East Corridor. The loans will be funded from borrowing supported by the Park East Tax Incremental District (“TID”).</p> <p>The Moderne Project (“Project”) is a 30-story high-rise structure containing:</p> <ul style="list-style-type: none"> • 14 for-sale condominium units; • 203 for-rent apartment units; • 204 above ground, structured parking spaces; and • 7,230 square feet of street level retail. <p>Total Project costs are estimated at \$55.2 million.</p>
<u>Developer/ Borrower:</u>	<p>The Milwaukee Moderne, LLC, a Wisconsin limited liability company, managed by Rick Barrett.</p>
<u>Zoning/Design Review:</u>	<p>The Project is within the Park East Redevelopment Boundary/RED Zoning and is subject to, and being developed in accordance with, the standards required by these regulatory documents.</p>
<u>Development Schedule:</u>	<p>Construction shall commence by June 1, 2010. The Developer shall secure a Certificate of Occupancy and reach Project completion within 24 months of construction commencement.</p>
<u>Project Budget:</u>	<p>Total project budget is approximately \$55.24 million. Estimated total sources include:</p> <ul style="list-style-type: none"> • Approximately \$41.4 million in 221(d)4 loan proceeds funded by AFL-CIO and serviced by CAPMARK • Approximately \$4.53 million in Developer Equity (anticipated to consist of \$3.83 million in cash and \$700,000 in deferred Developer Fee) • \$9.3 million in City Loans as described below

<p><u>Senior Loan:</u></p>	<p>The primary financing for the Project will be a HUD 221(d)4-enhanced senior loan (“Senior Loan”) in an amount to be determined through final sizing, but not to exceed \$41.4 million, funded by the AFL-CIO and serviced by CAPMARK. The term of this loan will be the construction period plus 480 months of amortization.</p> <p>Payments will be interest-only during the construction period, funded from a capitalized interest reserve. After completion, level monthly debt service payments commence such that the loan would be fully amortized over 480 months. These payments also include a mortgage insurance charge equal to 45 basis points on the principal amount of the loan.</p>
<p><u>City Loans:</u></p>	<p>The City intends to enter into a Development Agreement with the Redevelopment Authority of the City of Milwaukee (“RACM”) and the Developer to provide TID assistance for the Project. Subject to completion of due diligence and satisfaction of all closing and funding conditions, the City, through the RACM, intends to provide two TID-funded loans in amounts not to exceed:</p> <ul style="list-style-type: none"> • \$3,300,000 in Mezzanine Loan funds • \$6,000,000 in Completion Loan funds <p>These loans will be disbursed during the construction period through a process to be coordinated with the disbursement of the Senior Loan. The City will subordinate its collateral position and assignment of lease income for the apartment/retail/parking component of the project to the lender providing the Senior Loan.</p> <p>Subject to final underwriting and coordination with the Senior Loan parameters, the Executive Director of RACM may reallocate up to \$500,000 from the Mezzanine Loan to the Completion Loan and modify the term of the Completion Loan by up to 10 months.</p> <p>Unless otherwise specified in this Term Sheet, the terms of the City loans may in RACM’s discretion match those of the Senior Loan with respect to defaults and other provisions. The City/RACM intend to reasonably tailor the City Loan documents to match the required parameters of the Senior Loan with respect to payment timing, subordination, funds in balance, and other issues.</p>
<p><u>Definition of Available Cash to</u></p>	<p>Available Cash shall be defined as the sum of:</p>

<p><u>Pay City Loans</u> <u>("Available Cash"):</u></p>	<ul style="list-style-type: none"> • All revenues to project from leases of apartments, retail, and parking • All condominium sales revenues (net of third party commissions, sales expenses, and closing costs) • All releases of funds from reserves set aside for operating shortfalls, working capital, or construction period expenses <p>Less</p> <ul style="list-style-type: none"> • Operating expenses paid to third parties not affiliated with the Developer or its affiliates • Operating/Replacement reserves totaling no more than the lesser of HUD minimums for the 221(d)4 program per year or the developer's pro forma amounts used by the City to underwrite this loan (provided such reserves are used to the maximum allowable extent to cover operating expenses) • Scheduled debt service or other required payments on the Senior Loan • Priority payment of condominium sale revenues on the mezzanine and completion loans <p>For the purposes of this calculation, internal Developer costs (defined as payments of fees or expenses to the Developer or its affiliates other than the Developer Fee described below during the construction period) shall be disallowed.</p>
<p><u>Mezzanine Loan</u> <u>Parameters:</u></p>	<p><u>Repayment:</u> Interest shall accrue until such time as funds are available for repayment, at which time monthly payments shall commence. Payments shall be applied first to accrued interest and then to unpaid principal. Repayable with first priority from 100% of net Condominium sales proceeds (net of third party commissions, sales expenses, and closing costs) and second priority from 100% of Available Cash from apartments, parking, and retail components of project. Repayment shall commence upon the earlier of construction completion or the availability of Available Cash. Developer shall neither make distributions of profit nor utilize Available Cash for any purpose other than servicing City debt while the Mezzanine Loan is outstanding.</p> <p><u>Security:</u></p> <ul style="list-style-type: none"> • A first mortgage on the condominium portion of the Project; • A second mortgage on the apartment/retail/parking portion of the Project and second priority assignment of leases and rents from the Borrower • 50% of the Developer's ownership interest in the Project <p><u>Interest Rate and Accrual:</u> Interest shall be calculated monthly based on a</p>

	<p>360 day year consisting of twelve 30-day months on the disbursed unpaid principal and accrued interest balances. The annual interest rate shall be the greater of 14% or 21.15% less the Completion Loan interest rate. Interest shall accrue on unpaid principal and interest.</p> <p><u>Term:</u> 48 months from the initial disbursement of funds. The full principal balance and accrued interest shall become immediately due and payable in the event of a refinancing of the Primary Debt or Sale of the Project unless RACM chooses to waive this condition.</p> <p><u>Disbursement Timing:</u> Mezzanine Loan may be drawn prior to Senior Loan and Completion Loan after 100% of Developer equity has been expended for the Project. All Developer equity will have been provided in the form of City pre-approved pre-paid developer costs and additional cash funded into the construction escrow.</p> <p><u>Prepayment:</u> Borrower may prepay the Mezzanine Loan in whole or in part at any time, without penalty or premium.</p>
<p><u>Completion Loan Parameters:</u></p>	<p><u>Repayment:</u> Interest shall accrue until such time as funds are available for repayment, at which time monthly payments shall commence. Payments shall be applied first to accrued interest and then to unpaid principal. Repayable with second priority from 100% of Condominium sales proceeds and third priority from 100% of Available Cash as defined below from apartments, parking, and retail components of project. Repayment shall commence upon construction completion. Developer shall neither make distributions of profit nor utilize Available Cash for any purpose other than servicing City debt while the Mezzanine Loan is outstanding.</p> <p><u>Security:</u></p> <ul style="list-style-type: none"> • A first mortgage on the condominium portion of the Project; • A second mortgage on the apartment/retail/parking portion of the Project and second priority assignment of leases and rents from the Borrower • Personal guarantees from Rick Barrett and Tan Lo (minimum life insurance requirements may be set forth by City/RACM and maintained during the term of the Loans) <p><u>Interest Rate and Accrual:</u> Interest shall be calculated monthly based on a 360-day year consisting of twelve 30-day months on the disbursed unpaid principal and accrued interest balances. The annual rate of interest shall be set equal to that of the Senior Loan.</p> <p><u>Term:</u> 48 months from the initial disbursement of funds. The full</p>

	<p>principal balance and accrued interest shall become immediately due and payable in the event of a refinancing of the Primary Debt or Sale of the Project unless RACM chooses to waive this condition.</p> <p><u>Disbursement Timing:</u> Completion Loan may be drawn starting upon the later of Month 12 of construction or November 2010, provided over 50% of the Senior loan has been drawn.</p> <p><u>Prepayment:</u> Borrower may prepay the Completion Loan in whole or in part at any time, without penalty or premium, provided the Mezzanine Loan has first been fully repaid.</p>
<u>Developer Equity:</u>	<p>The Developer will provide at least \$4.53 million of total equity, including not less than \$3.83 million of cash equity in the form of:</p> <ul style="list-style-type: none"> • Cash funded into the construction escrow at closing; and/or • City-approved pre-paid costs to third party entities • City-approved pre-paid Developer overhead expenses totaling \$489,905 <p>Such equity shall not be reimbursed or reimbursable via the proceeds of the Senior or Subordinate Loans.</p> <p>Anticipated pre-paid costs, subject to final City approval and verification include the following:</p> <ul style="list-style-type: none"> • Land acquisition costs • Consolidation of ownership of the Developer entity • Developer out-of-pocket expenses to construct and maintain the sales center • Payments to third party professional service providers for predevelopment activities such as architecture, engineering, etc. • City permitting/approval costs • Property tax and carry cost for the Project site <p>In addition, the Developer may defer up to 50% of Developer Fee (described below), or \$700,000 to be counted toward the minimum overall equity requirement. If a lesser amount is deferred and additional capital contributions are made to reduce this fee deferral, these contributions shall not be counted toward the \$3.83 million base cash equity requirement described above.</p>
<u>Developer Fee:</u>	<p>Developer Fees shall be limited to \$1.4 million plus \$175,000 to cover internal overhead (other than salaries of principals) during the</p>

construction period. With the exception of \$200,000 that may be paid with the first construction draw, the un-deferred portion of the Developer Fee may be paid no faster than pro rata with construction progress as measured by disbursements against the project budget for hard costs. The deferred portion of the Developer Fee shall be payable as follows:

- Provided the project has reached full construction completion, achieved a full certificate of occupancy, and Developer is in full compliance with all applicable provisions of the City and Senior loans, the deferred portion of the Developer Fee maybe paid from proceeds released by the Senior Lender from the HUD-required Working Capital Reserve.
- To the extent such Working Capital Reserve proceeds are insufficient to pay the full deferred portion of Developer Fee, the balance may, at the discretion of the Executive Director of RACM, be paid by the City/RACM as an abatement or refund of interest paid on City loans provided:
 - Project has reached full construction completion, achieved a full certificate of occupancy, and Developer is in full compliance with all applicable provisions of the City and Senior loans
 - Mezzanine Loan has been fully repaid, including all accrued interest
 - Project has completed a full year of rental operations and demonstrated at least 1.05 debt coverage on the Senior Loan
 - At least \$6.1 million of net condominium sales proceeds have been realized, and such proceeds have been applied toward City loan repayment

**Conditions to
Closing/
Disbursement of
City Loans:**

Preconditions to closing of City Loans to the Developer shall include, but not be limited to:

- A. Design Review. The City of Milwaukee shall have approved the final plans and specifications for the Project, and issued permits for building construction.
- B. Evidence of Financing. Developer must provide evidence that, together with the City Loans, sufficient Senior Debt and

Developer equity are committed (and all preconditions to funding satisfied) to pay for the costs of the Project.

- C. Appraisal. RACM is to be provided an appraisal of the Project real property evidencing an appraised value of at least \$48.5 million or additional equity and collateral will be required.
- D. Insurance. Borrower is to provide RACM with evidence of Insurance for all coverage customary for RACM. This will include hazard insurance.
- E. Title. Borrower is to provide evidence of title insurance naming RACM as mortgagee on Project property.

The proceeds of the Loan shall be disbursed pursuant to the terms of a Disbursing Agreement by and among the holder of the Primary Debt, Borrower, RACM and such other parties as the holder of the Primary Debt may reasonably designate. The City and RACM anticipate that disbursements of City Loans will occur using the same title company as the Senior lender.

Retainage for the Completion Loan shall be set equal to that of the Senior Loan. The Mezzanine Loan shall not bear a retainage requirement.

Profit Sharing:

The City will receive payments out of the sale, refinance, or condominium conversion and sale proceeds of the project as follows:

Upon sale or refinance of the Project and/or sale of any condominium units over and above the 14 units currently planned, the Developer shall provide to the City sufficient information to calculate the Project annual internal rate of return (IRR) on equity. If, upon the sale or refinance event, this return will exceed 20%, the City will share in 50% of net sale/refinance proceeds over and above the level necessary to achieve this 20% threshold. For the purposes of this IRR calculation, internal Developer costs (defined as payments of fees or expenses to the Developer or its affiliates) shall be limited to the lesser of actual expenditures or \$2.2 million of Developer fees and overhead during the Development phase. Internal Developer costs shall include but not be limited to salaries/payroll allocation, developer fees, general/administrative and overhead, reserves, and payments of leasing fees to affiliates. Internal costs in excess of this percentage shall be disregarded for IRR calculation purposes.

This provision shall remain in effect until both City Loans are fully repaid, and shall include all calculations and/or distributions of profit

	made within 18 months of the retirement of the final City Loan, or with respect to the year in which the final City Loan is retired. If a sale of the Project occurs during the year in which the final City Loan is retired, the Profit Sharing calculation shall take all net proceeds of the sale into account.
<u>Development Agreement/Loan Agreements:</u>	The City, Developer and RACM shall enter into a Development Agreement, Loan Agreements, and ancillary loan documents containing terms consistent with this Term Sheet and customary for such development and loan agreements (collectively, "Agreements"). The Development Agreement shall also provide for grant of a city easement over portions of the 4 th and Highland Parking Structure Site to permit the project to comply with applicable building and fire codes. The Agreements may not be assigned to a third party without the written consent of the Executive Director of RACM.
<u>Limits on Developer Action:</u>	<p>Until all Developer obligations under the Development Agreement have been fully discharged, the Developer may not without City consent:</p> <ul style="list-style-type: none"> • Liquidate or consolidate the Site; • Merge with another entity; • Enter into any transaction that would materially adversely affect the ability of the Developer to complete the Project or its obligations under the Development Agreement; • Assume additional indebtedness for which the collateral includes any portion of the Project or the Developer's interest therein • Assume or guarantee the obligations of any other person or entity that would materially adversely affect the ability of the Developer to complete the Project or repay the City loans; or • Enter into a transaction that would cause a material and detrimental change to the Developer's financial condition
<u>Human Resources:</u>	See Exhibit A
<u>Prevailing Wages:</u>	See Exhibit A

<u>PILOT Payments:</u>	The Development Agreement will require payments in lieu of taxes with respect to any parcel, unit or building within the Project site that subsequently becomes exempt from real property taxes. This provision shall be incorporated into a covenant running with the land.
<u>Financial Statements:</u>	<p>Throughout the term of the Loans, Developer shall provide annual financial statements prepared and audited by outside accountants acceptable to RACM no later than 120 days following the close of each Borrower fiscal year for the Project, certified as to accuracy by the Developer, and annual tax returns within 120 days of the end of fiscal year. The City shall pledge to hold such records confidential to the greatest extent permitted by law. Developer shall also provide such other information on Project financial performance or other related matters as may be requested by the City in its discretion to oversee Developer performance and maintenance of collateral.</p> <p>Guarantors are required to provide RACM with signed, updated personal financial statements within 120 days of the end of each year and if requested, a signed copy of their personal tax returns.</p>
<u>Defaults:</u>	Failure of Developer to comply with the requirements of the City Loan documents (including but not limited to non-payment of interest or principal, use of Available Cash for unauthorized purposes, failure to submit required documentation, failure to complete the project, commission of fraud or other violations, defaulting on Senior Loan) shall be deemed Events of Default. The Development Agreement will define these Events of Default, corresponding cure periods, and remedies if applicable. City remedies shall include standard lender remedies such as rights to accelerate. The City will work with the Senior Lender to develop appropriate intercreditor provisions, including limitations on cross-defaults as needed.
<u>General:</u>	<p>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 in one or more agreements, including the Agreements mentioned above, among the City, RACM, and Developer. Resolutions approving the Term Sheet will also provide for the execution of all additional documents and instruments necessary to implement the Project.</p> <p>All other customary provisions (Comptroller audit rights, DCD</p>

Commissioner review and approval of project budget and design, etc.) will also be included in the Development Agreement.

DRAFT

Exhibit A: Human Resource Requirements

It is the intent of the Department of City Development to submit a Substitute Exhibit A with language that adequately addresses the EBE, RPP, and Prevailing Wage requirements for this project by or before October 26, 2009 at 4:00 pm.

DRAFT

City of Milwaukee
TID #48/Proposed Moderne Project

Economic Feasibility Study

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Appendix 1: Construction Cost Review Summary

Appendix 2: TID Projection Detail

S. B. Friedman & Company
221 N. LaSalle Street
Chicago, IL 60601-1302
Phone: 312/424-4250; Fax: 312/424-4262

www.friedmanco.com

1. Project Description and Study Approach

The site of the proposed Moderne project (“Project”) is located at the intersection of North Old World Street and Juneau Avenue, immediately west of the Milwaukee River. The site is located within the existing Park East Tax Increment District (TID) 48, which was created in 2002. As proposed, the 30-story high-rise Moderne Building contains a mix of apartment units, condominium units, and retail space. The proposed program includes:

- **Apartments**—213,000 square feet for 203 for-rent units.
- **Condominiums**—32,100 square feet for 14 for-sale units.
- **Retail**—7,230 square feet of street-level retail.
- **Structured Parking**—A total of 204 spaces, with 181 allocated for apartments and 23 for condominiums.

A total City TID contribution to the project of up to **\$9.3 million** is proposed for gap financing, including up to \$6 million in Completion Loan funds and the balance in Mezzanine Loan funds. Additional detail on the proposed City assistance parameters is included in the “Proposed TID Contribution” section in Chapter 2.

Study Approach

In addition to reviewing the developer’s overall pro forma for the Moderne project, *SBFCo*, in conjunction with construction consultants The Concord Group (“Concord”), reviewed and considered the following key factors affecting the TID feasibility of the proposed project:

- Construction cost budget and supplemental information provided by Rinka Chung (the architect) and Findorff (the contractor) on behalf of the developer
- Key financing assumptions embedded in the Developer’s pro formas through review of industry sources
- Assessment techniques and assumptions likely to be used as a basis for property taxation, based on key informant interviews with the City of Milwaukee Assessor’s Office
- Real property assessment data from the City Assessor’s Office on existing properties within TID 48
- Real property assessment data for other comparable properties elsewhere in Milwaukee to validate the potential assessed valuation of the project
- Potential bonding assumptions as provided by DCD and the Office of the City Comptroller to be used in evaluating financing capacity

2. Need for Financial Assistance

Pursuant to our engagement with the City of Milwaukee, *SBFCo* reviewed key assumptions included in the developer's pro forma for the Moderne project, as well as the resulting implications on the need for TID assistance.

Project Costs, Revenues, and Financing Parameters

SBFCo, with the assistance of Concord, reviewed costs, revenues, and financing structure/parameters included in the developer's proposed project budget.

The Project is anticipated to be financed in large part with the HUD 221(d)(4) loan guarantee program. In this program, HUD provides the project senior lenders for rental apartment projects with a financial guarantee, provided the project is underwritten within HUD standards, which include certain requirements as to maximum loan size, required reserves, and mortgage insurance payments. The 221(d)(4) loan is anticipated to fund up to 75% of project costs, depending on the final interest rate at which the loan is locked.

As part of the HUD underwriting parameters, the Developer provided a rental apartment market study developed by Moegenburg Research to validate rent, occupancy, and absorption assumptions in the project pro forma. This market study appears to meet the HUD underwriting requirements for the 221(d)(4) program. While *SBFCo* did not independently recreate or validate the Moegenburg data, the analysis and conclusions in the study appear generally reasonable.

SBFCo's review yielded the following key observations regarding costs and revenues:

- **Construction Costs.** Total construction costs are estimated at \$43.3 million, which includes 3.63% for Developer contingency. Based on HUD requirements as to the level of design required to file an application for the 221(d)(4) program, the design is relatively well-developed as compared to typical TID-assisted projects at this stage in the municipal review and approval process. Concord reviewed construction cost estimates provided by Findorff in light of the schematic-level design information available at this stage in the proposed project. Concord has indicated to *SBFCo* that the developer's estimated costs are reasonable given the proposed program and project specifications and the level of design specificity that was available at the time their review was performed. The total construction costs were estimated at approximately \$46 million at the time of the review. In subsequent design and estimate refinements, Findorff has indicated that they are confident they can achieve a Guaranteed Maximum Price contract at a level equivalent to the hard costs shown in the Developer's pro forma. Per a recent update from Findorff and the project architects, this will likely be accomplished through "hard bids" of various materials and subcontracts within the overall project, as well as removal of design contingencies as the architectural drawings get closer to 100% completion. A summary of Concord's review is provided as Appendix 1 of this report, along with a supplemental update from Concord regarding the cost reductions occurring after Concord's initial review.

- **Soft Costs.** Soft costs, including architecture, engineering, and HUD-required reserves comprise approximately 17% of Total Development Costs, excluding land and developer fee. This is in line with *SBFCo*'s observed parameters for soft costs in urban mixed-use redevelopment projects.
- **Developer Fee.** The total overhead and fee proposed for the project is approximately \$2.1 million, or 3.7% of Total Development Cost. While *SBFCo* has observed values ranging from 3-4% in analogous projects, the long period of development for this project (beginning in 2006) and the extensive changes the project has undergone in response to evolving market conditions have caused the Developer to bear increased overhead. Per the Term Sheet, the portion of Developer Fees that may be paid out during construction is limited to \$700,000, plus \$175,000 to cover internal overhead during the construction period. The balance of the fee would be deferred and payable as a rebate against interest paid on City loans if the Project hits certain completion/performance benchmarks. With the exception of \$200,000 that may be paid with the first construction draw, the un-deferred portion of the Developer Fee may be paid no faster than pro rata with construction progress as measured by disbursements against the project budget for hard costs.
- **Lease Revenues.** The projected revenue stream for the Moderne project is derived from the rent schedules for apartment units, apartment parking spaces, and retail space, as well as condominium sales. Once the project reaches stabilization in 2013, the annual gross income is projected at approximately \$5 million from apartments, \$350,000 from rentable apartment parking spaces, and \$160,000 from the retail space. Apartment rents are projected to be at the high end of the observed spectrum in Downtown Milwaukee at approximately \$1.94 per square foot at stabilization.
- **Condo Sales.** Based on the fact that four of the 14 condo units are currently reserved with 5% deposits from buyers, the Project is anticipated to receive revenue from condo sales when these units are delivered during the project's first year of operation, which is projected to begin in September of 2011. Condo sales proceeds are projected at a relatively gradual pace, assuming approximately a 4+ year sellout period for all remaining units, starting at the commencement of construction. Condo pricing is assumed at approximately \$408 per square foot- at the relatively high end of the Milwaukee spectrum. While the condominium market is extremely challenged at the present time, these challenges are mitigated by the small number of units, the slow projected sellout pace, and the fact that the units will be located on the upper-most three floors of the 30-story tower, offering attractive views.
- **Operating Expenses.** The Developer intends to lease the retail space on a net basis, with pass-throughs of real estate taxes, common-area maintenance and other typical expenses to the tenants. Projected operating expenses for the apartment component of the project are projected at 38% of rental revenues, which is in the typical range for newly constructed apartment projects based on reviews of benchmark sources such as IREM surveys and discussions with apartment developers.

Financing Structure

The proposed financing for the Project includes four key funding components:

- **HUD 221(d)4 Debt.** This is a senior loan on the rental residential, retail, and associated parking components of the project, disbursed during construction and remaining in place for 40 years after completion. Interest is fixed for the entire 40+ year period, and is anticipated to be based on a spread of 275 basis points over the yield on 10-year Treasuries at the time the rate is locked. At current market rates, this loan would fund at about 6.1%. To some extent, the interest rate also affects the maximum size of this loan. *SBFCo* ran the pro forma analysis for this feasibility study based on a 6.15% interest rate on the senior loan. Based on HUD sizing formulas, the loan would be approximately \$41.4 million at this interest rate.
- **Developer Equity.** For the purposes of evaluating equity returns, the developer's total equity basis for the Moderne project is estimated at \$4.53 million, comprised of:
 - Cash expended for land acquisition
 - Cash expended for pre-development costs
 - A condominium unit that was used to buy out a prior owner/equity investor in the project in 2008
 - \$700,000 in deferred Developer Fees

The amount of this equity contribution will be finalized based on the size of the HUD 221(d)4 loan, but is under no circumstances anticipated to be less than \$3.83 million in cash, plus deferred Developer Fee.

- **City Completion Loan.** Approximately \$6 million of the City's loans to the Project would be provided in the form of an interim loan disbursed during construction and remaining in place for no more than 4 years. This loan would have a subordinate position to the HUD 221(d)4 loan with respect to the apartment/retail component of the Project, but a first lien on the condominium portion. It would be repaid after the Mezzanine Loan described below. The rate would be set equal to the HUD 221(d)4 loan, and interest would accrue until such time as the Developer can repay this loan.
- **City Mezzanine Loan.** Approximately \$3.3 million of the City's loans would be provided as a Mezzanine Loan priced at typical rates for this type of capital—between 14 and 15% interest. This loan would be funded earlier in the construction process, and therefore bear a closer resemblance to equity. Like the Completion Loan, this would have a 4-year term, a subordinate position with respect to the apartments/retail, and a senior position on the condominiums. Because of the higher rate associated with this loan, it would be repayable prior to the Completion Loan.

Projected Developer Returns

In order to evaluate the need for assistance, *SBFCo* calculated:

- **Equity Returns** expressed as an internal rate of return (IRR) with the proposed level and structure of TID assistance. This calculation is based on the developer's estimated cash equivalent equity contribution (described in "Equity Component" above), annual net cash flow after expenses and debt service, and the income from an assumed hypothetical sale of the property in Year 11.
- **Returns on Cost** in terms of overall unleveraged IRR. This calculation is based on a comparison between annual project income before debt service and total project cost net of public improvements, grants, and interest costs.

Tables 1 through 3 on the following pages show the Sources and Uses of Funds, projected operating revenues and expenses, and the resulting projected cash flows and returns. Table A-1 in the appendix of this report shows monthly detail on projected disbursement and repayment of loan proceeds.

RETURNS ON EQUITY

SBFCo's return calculation yields a projected leveraged IRR on equity of about 19%. This return is within the observed pro forma level for speculative real estate development projects. Additionally, the returns to equity are somewhat more delayed than on a typical project due to the need to fully retire the City's loans before any distributions can be made to investors. This is an important component of equity investor expectations. The Term Sheet also contains a profit-sharing provision as follows: during the term of the City loans, upon sale or refinance of the project and/or sale of any condominium units over and above the 14 units currently planned, the Developer shall provide to the City sufficient information to calculate the project annual IRR on equity. If, upon the sale or refinance event, this return exceeds 20%, the City will share in 50% of net sale/refinance proceeds over and above the level necessary to achieve this 20% threshold.

RETURNS ON COST

SBFCo also projected IRR on total project cost (or "unleveraged IRR") based on the initial unleveraged total project cost less public assistance (defined as total project costs less the Mezzanine and Completion Loans) and projected project income before debt service. This calculation yielded an unleveraged IRR projection of 9.0%. *SBFCo* benchmarked these returns to national data on apartment projects from PriceWaterhouseCoopers/Korpacz Investor Survey for the Fourth Quarter of 2008. The Korpacz survey indicates a market average for multi-family apartments of about 8.3% and an observed market range of 6% to 10.5%. Because this index is primarily composed of purchases of existing cash-flowing assets, as opposed to proposed development projects, it is appropriate that the Moderne project would have a somewhat higher projected return on cost. This suggests that the current City TID contribution is sized to allow the Moderne project to achieve returns that are within reasonable market parameters.

**City of Milwaukee
Moderne Loan Analysis**

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Table 1: Sources and Uses of Funds

USES				
Land				
Contributed Land Value			\$	835,000
LL Interest Carry & PP Taxes			\$	88,096
Total Land			\$	923,096
Hard Costs				
Construction GMP			\$	41,738,040
Developer Contingency	3.63%		\$	1,513,815
Total Hard Costs	SF	398,602	\$	43,251,855
Soft Costs				
Predev Legal, Arch, Eng, Acctg			\$	677,367
Predevelopment Marketing			\$	222,921
Equity Investor Buyout			\$	155,322
City Approvals, Permits, Cons.			\$	55,000
Appraisal / Market Study			\$	11,500
Sales Center Overhead			\$	67,333
Sales Center Construction			\$	400,000
Leasing Center Costs			\$	148,000
Marketing & Advertising			\$	37,500
Travel & Entertainment			\$	15,000
Architect & Engineering			\$	440,000
Legal			\$	75,000
Accounting			\$	75,000
Insurance			\$	75,000
FF&E			\$	35,000
Superintendent			\$	150,000
EBE Consultant			\$	75,000
Common Area on Unsold Units			\$	20,000
Construction Loan Interest Reserve			\$	2,752,271
B&C Broker Fee			\$	670,000
Cost Certification Audit Fee			\$	12,500
Title & Recording			\$	20,000
Capmark Loan Fee (1%)	1%	of HUD Loan	\$	414,106
FHA Mortgage Insurance Premium	0.9%	of HUD Loan	\$	372,696
HUD Application Fee	0.3%	of HUD Loan	\$	124,232
HUD Inspection Fee (.5%)	0.5%	of HUD Loan	\$	207,053
Soft Cost Contingency			\$	10,000
Working Capital Escrow	2%	of HUD Loan	\$	828,212
Initial Operating Deficit			\$	856,342
Total Soft Costs			\$	9,002,355
Developer Fees and Overhead				
Developer Fee			\$	1,400,000
B&C Consulting Fee			\$	130,000
Start-Up Expenses			\$	189,905
Rick Barrett Supervision & Over.			\$	170,000
Development Office Overhead/Staff			\$	175,000
Total Developer Fees and Overhead			\$	2,064,905
TOTAL DEVELOPMENT COSTS			\$	55,242,211
SOURCES				
Equity Contribution #1 (2006/7)			\$	589,905
Equity Contribution #2 (2008)			\$	725,322
Equity Contribution #3 (2009 Through Construction Start)			\$	2,516,361
Deferred Developer Fee			\$	700,000
City Mezzanine Loan			\$	3,300,000
City Completion Loan			\$	6,000,000
Capmark/HUD Senior Loan			\$	41,410,623
TOTAL SOURCES			\$	55,242,211

Source: Milwaukee Moderne, LLC and S. B. Friedman & Company

City of Milwaukee- Moderne Loan Analysis

Table 2: Operating Income Calculation

	GLA	Monthly Rent per Unit/Space/Sq. Ft.				Total Annual Rent
		Units/Spaces		Annual Rent per Unit/Space/Sq. Ft.		
Apartments	212,987	203	\$ 2,037.00	\$ 24,444.00	\$	4,962,132.00
Parking	74,798	181	\$ 150.00	\$ 1,800.00	\$	325,800.00
Restaurant	5,240	N/A	\$ 1.92	\$ 23.00	\$	120,520.00
Spa	1,990	N/A	\$ 1.58	\$ 19.00	\$	37,810.00
TOTAL	295,015				\$	5,446,262.00

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Revenue Growth			0.0%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Expense Growth			0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Occupancy:												
Apartments		66%	94%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Parking		76%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Restaurant		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Spa		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Rental Revenue												
Apartments	\$ 2,037.00	\$ 3,275,007	\$ 4,664,404	\$ 4,846,018	\$ 4,981,707	\$ 5,121,194	\$ 5,264,588	\$ 5,411,996	\$ 5,563,532	\$ 5,719,311	\$ 5,879,452	\$ 6,044,076
Parking	\$ 150.00	\$ 247,608	\$ 309,510	\$ 318,176	\$ 327,085	\$ 336,244	\$ 345,658	\$ 355,337	\$ 365,286	\$ 375,514	\$ 386,029	\$ 396,838
Restaurant	\$ 1.92	\$ 108,468	\$ 108,468	\$ 111,505	\$ 114,627	\$ 117,837	\$ 121,136	\$ 124,528	\$ 128,015	\$ 131,599	\$ 135,284	\$ 139,072
Spa	\$ 1.58	\$ 34,029	\$ 34,029	\$ 34,982	\$ 35,961	\$ 36,968	\$ 38,003	\$ 39,067	\$ 40,161	\$ 41,286	\$ 42,442	\$ 43,630
Total Rental Revenue		\$ 3,665,112	\$ 5,116,411	\$ 5,310,681	\$ 5,459,380	\$ 5,612,243	\$ 5,769,386	\$ 5,930,929	\$ 6,096,995	\$ 6,267,710	\$ 6,443,206	\$ 6,623,616
Operating Expenses												
Apartments	\$ 361.33	\$ (580,933)	\$ (1,089,567)	\$ (1,123,182)	\$ (1,145,645)	\$ (1,168,558)	\$ (1,191,930)	\$ (1,215,768)	\$ (1,240,083)	\$ (1,264,885)	\$ (1,290,183)	\$ (1,315,987)
Parking	\$ 13.77	\$ (22,738)	\$ (28,422)	\$ (28,991)	\$ (29,571)	\$ (30,162)	\$ (30,765)	\$ (31,381)	\$ (32,008)	\$ (32,648)	\$ (33,301)	\$ (33,967)
Fixed Expenses												
Apartments	\$ 26.43	\$ (64,380)	\$ (64,380)	\$ (65,668)	\$ (66,981)	\$ (68,321)	\$ (69,687)	\$ (71,081)	\$ (72,502)	\$ (73,952)	\$ (75,431)	\$ (76,940)
Parking	\$ 22.11	\$ (48,016)	\$ (48,016)	\$ (48,977)	\$ (49,956)	\$ (50,955)	\$ (51,975)	\$ (53,014)	\$ (54,074)	\$ (55,156)	\$ (56,259)	\$ (57,384)
Total Expenses		\$ (716,068)	\$ (1,230,386)	\$ (1,266,817)	\$ (1,292,153)	\$ (1,317,996)	\$ (1,344,356)	\$ (1,371,243)	\$ (1,398,668)	\$ (1,426,642)	\$ (1,455,174)	\$ (1,484,278)
Annual Real Estate Taxes												
Apartments	\$ 3,651.61	\$ (489,243)	\$ (696,800)	\$ (718,297)	\$ (732,663)	\$ (747,316)	\$ (762,263)	\$ (777,508)	\$ (793,058)	\$ (808,919)	\$ (825,098)	\$ (841,599)
Total Annual Real Estate Taxes		\$ (489,243)	\$ (696,800)	\$ (718,297)	\$ (732,663)	\$ (747,316)	\$ (762,263)	\$ (777,508)	\$ (793,058)	\$ (808,919)	\$ (825,098)	\$ (841,599)
Net Operating Income (NOI)		\$ 2,459,801.74	\$ 3,189,225	\$ 3,325,567	\$ 3,434,564	\$ 3,546,930	\$ 3,662,767	\$ 3,782,177	\$ 3,905,268	\$ 4,032,150	\$ 4,162,934	\$ 4,297,739
Less Reserves												
Cash Flow After Reserves		\$ 2,459,802	\$ 3,189,225	\$ 3,325,567	\$ 3,434,564	\$ 3,546,930	\$ 3,662,767	\$ 3,782,177	\$ 3,905,268	\$ 4,032,150	\$ 4,162,934	\$ 4,297,739

Source: Milwaukee Moderne, LLC and S. B. Friedman & Company

City of Milwaukee- Moderne Loan Analysis

Cash Flow and Returns Analysis

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	-2	-1	Year 0	Const Yr 1	Const Yr 2	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
SOURCES																
Condo Sales Proceeds				\$ -		\$ 7,348,860	\$ 3,946,920	\$ 929,070								\$ 12,224,850
NOI (less Reserves)						\$ 2,459,802	\$ 3,189,225	\$ 3,325,567	\$ 3,434,564	\$ 3,546,930	\$ 3,662,767	\$ 3,782,177	\$ 3,905,268	\$ 4,032,150	\$ 4,162,934	\$ 35,501,385
Payout of Operating Shortfall Reserve						\$ 856,342										\$ 856,342
Reversion															\$ 52,110,082	\$ 52,110,082
TOTAL				\$ -		\$ 10,665,004	\$ 7,136,145	\$ 4,254,637	\$ 3,434,564	\$ 3,546,930	\$ 3,662,767	\$ 3,782,177	\$ 3,905,268	\$ 4,032,150	\$ 56,273,016	\$ 100,692,659
USES																
Debt Service- Senior Loan	\$ 40,314,111					\$ 2,899,651	\$ 2,899,651	\$ 2,899,651	\$ 2,899,651	\$ 2,899,651	\$ 2,899,651	\$ 2,899,651	\$ 2,899,651	\$ 2,899,651	\$ 2,899,651	\$ 28,996,513
Mortgage Insurance Premium	0.45%					\$ 186,348	\$ 186,348	\$ 186,348	\$ 186,348	\$ 186,348	\$ 186,348	\$ 186,348	\$ 186,348	\$ 186,348	\$ 186,348	\$ 186,348
Interest Payment Incl Mortgage Insurance Premium	6.15%					\$ 2,480,245	\$ 2,465,495	\$ 2,449,812	\$ 2,433,136	\$ 2,415,405	\$ 2,396,552	\$ 2,376,505	\$ 2,355,190	\$ 2,332,526	\$ 2,308,427	\$ 20,848,427
Principal Payment	40					\$ 233,058	\$ 247,808	\$ 263,491	\$ 280,167	\$ 297,898	\$ 316,752	\$ 336,798	\$ 358,113	\$ 380,778	\$ 404,876	\$ 3,404,876
Prepayment															\$ 37,194,370	\$ 37,194,370
Repayment- City Mezz Loan	\$ 3,300,000			\$ -		\$ 4,390,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,390,741
Interest Payment	15.00%					\$ 1,090,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal Payment						\$ 3,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Accrual				\$ 983,437		\$ 107,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Balance				\$ 4,283,437		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment- City Base Loan	\$ 6,000,000			\$ -		\$ 3,374,611	\$ 3,128,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,503,247
Interest Payment	6.15%					\$ 397,362	\$ 105,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal Payment						\$ 2,977,249	\$ 3,022,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Accrual				\$ 165,393		\$ 231,969	\$ 105,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Balance				\$ 6,165,393		\$ 3,022,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Interest Abatement to Pay Deferred Developer Fee (Contingent)							\$ (700,000)									
Distributable Cash				\$ -		\$ (0)	\$ 1,807,857	\$ 1,354,986	\$ 534,913	\$ 647,279	\$ 763,116	\$ 882,526	\$ 1,005,617	\$ 1,132,498	\$ 1,167,895	\$ 24,307,787
TOTAL				\$ -		\$ (0)	\$ 1,807,857	\$ 1,354,986	\$ 534,913	\$ 647,279	\$ 763,116	\$ 882,526	\$ 1,005,617	\$ 1,132,498	\$ 1,167,895	\$ 24,307,787
Annual Debt Coverage						0.85	1.10	1.15	1.18	1.22	1.26	1.30	1.35	1.39	1.44	
Leveraged Cash Flow																
Equity Contributions	\$ (589,905)	\$ (725,322)	\$ (1,372,217)	\$ (1,494,144)	\$ (350,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,531,588)
Equity Distributions					\$ -	\$ (0)	\$ 1,807,857	\$ 1,354,986	\$ 534,913	\$ 647,279	\$ 763,116	\$ 882,526	\$ 1,005,617	\$ 1,132,498	\$ 1,167,895	\$ 24,307,787
TOTAL	\$ (589,905)	\$ (725,322)	\$ (1,372,217)	\$ (1,494,144)	\$ (350,000)	\$ (0)	\$ 1,807,857	\$ 1,354,986	\$ 534,913	\$ 647,279	\$ 763,116	\$ 882,526	\$ 1,005,617	\$ 1,132,498	\$ 1,167,895	\$ 19,776,199
Annual Cash-on-Cash Return						0.0%	39.9%	29.9%	11.8%	14.3%	16.8%	19.5%	22.2%	25.0%		
Leveraged IRR						19.0%										
Unleveraged Cash Flow (Excluding Condos)																
NOI						\$ 2,459,802	\$ 3,189,225	\$ 3,325,567	\$ 3,434,564	\$ 3,546,930	\$ 3,662,767	\$ 3,782,177	\$ 3,905,268	\$ 4,032,150	\$ 4,162,934	\$ 35,501,385
Reversion Proceeds				\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,110,082	\$ 52,110,082
Total Project Costs				\$ (55,242,211)												
Less Portion Attributable to Condo (85% of sales proceeds)				\$ 11,173,250												
Total Project Costs				\$ (44,068,961)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (44,068,961)
TOTAL				\$ (44,068,961)		\$ 2,459,802	\$ 3,189,225	\$ 3,325,567	\$ 3,434,564	\$ 3,546,930	\$ 3,662,767	\$ 3,782,177	\$ 3,905,268	\$ 4,032,150	\$ 56,273,016	\$ 43,542,505
Annual Yield on Cost						5.6%	7.2%	7.5%	7.8%	8.0%	8.3%	8.6%	8.9%	9.1%	9.4%	
Unleveraged IRR						9.0%										

Source: Milwaukee Moderne, LLC and S. B. Friedman & Company

HUD Loan Sizing

Net Income @ Stabilization	\$ 2,973,451
Interest Rate	6.15%
Mortgage Insurance Rate	0.45%
Term	40
Initial Curtail Rate	0.5781%
Sum of Rates	7.1804%
Net Income Divided by Sum of Rates	\$ 41,410,623

Reversion Calculations

11th Year NOI	\$ 4,297,739
Terminal Cap Rate	8.0%
Terminal Value	\$ 53,721,734
Cost of Sale @ 3.0%	\$ (1,611,652)
Net Reversion Proceeds	\$ 52,110,082

3. Incremental Property Tax Revenues

In order to evaluate the time frame of repayment for the proposed \$9.3 million City TID contribution, *SBFCo* projected future incremental property tax revenues to be generated by the proposed Moderne project, as well as the balance of TID 48. These projected revenues were then used to estimate the time frame for amortization of the associated TID-supported issuances of City bonds.

TID Projection Assumptions and Methodology

Table 4 on the following page shows *SBFCo*'s projections of incremental property taxes for TID 48. These projections indicate total undiscounted tax collections of about **\$47 million** between 2009 and 2029, including existing TID 48 fund balances as of year end 2008. Of this total, the Moderne is anticipated to produce about \$17 million in undiscounted tax revenue. The key assumptions and methods used to develop these projections are described below.

Sources of TID Revenue

TID 48 includes a total of 139 taxkeys, comprised of non-redevelopment parcels, the new Moderne project, and three existing projects. These different components of the projected TID revenue stream are described below.

- **Non-redevelopment parcels.** TID 48 includes taxkeys for which no redevelopment is assumed to occur for the purposes of this study. *SBFCo*'s projections include tax increment only from the inflationary growth in these parcels' property values, not from any new development. If any of these parcels are redeveloped in the future, there is additional potential for the TID to realize greater revenues than those included in this feasibility report.
- **Moderne.** The proposed Moderne occupies one taxkey and will generate tax increment through its three uses: 203 for-rent apartments, 14 for-sale condominiums, and approximately 7,200 square feet of retail. The Moderne Project will generate additional revenue for the TID through repayment of the Mezzanine and Completion loans.
- **North End.** The North End is a 5-phase mixed use development occupying one taxkey. *SBFCo*'s projections include only Phase 1, which is comprised of 83 for-rent apartments and 12,000 square feet of retail. It is likely that additional development will occur within this project in the future, potentially generating additional revenues for the TID beyond those reflected in this report.
- **The Aloft.** The Aloft, which occupies one taxkey, is a seven-story, 160-room hotel with approximately 5,000 square feet of ground-floor retail.

City of Milwaukee
Park East TID
Table 4: TID Revenue Projections

Inflationary Increment and All Increment due to Redevelopment Projects												
Calculations: Tax Incremental Revenue due to Inflation							Summary: Tax Incremental Revenue due to Redevelopment Projects					Total Park East TID Incremental Revenue [6]
TID Year [1]	Assmt Year	Frozen Base Value (Less project parcels) [2]	Actual/Inflated Value [3]	Incremental Value [4]	Tax Rate	Incremental Revenue: Non- Project Parcel Inflation Only [5]	The Flatiron	The North End (Phase 1)	The Moderne	The Aloft	Total Incremental Revenue: Redevelopment	
4	2005	\$ 43,110,400										
5	2006	\$ 43,110,400										
6	2007	\$ 43,110,400	\$ 54,839,800	\$ 11,729,400	2.31%							\$ 253,791
7	2008	\$ 43,110,400	\$ 62,743,600	\$ 19,633,200	2.40%	\$ 271,301	7,464	\$ 53,100		\$ 14,794	\$ 75,358	\$ 346,659
8	2009	\$ 43,110,400	\$ 66,059,900	\$ 22,949,500	2.51%	\$ 471,786	91,953	\$ 30,847		\$ 15,370	\$ 138,170	\$ 609,956
9	2010	\$ 43,110,400	\$ 67,381,098	\$ 24,270,698	2.46%	\$ 574,885	133,331	\$ 33,407		\$ 13,354	\$ 180,092	\$ 754,977
10	2011	\$ 43,110,400	\$ 68,728,720	\$ 25,618,320	2.42%	\$ 598,132	190,771	\$ 74,764		\$ 239,314	\$ 504,849	\$ 1,102,980
11	2012	\$ 43,110,400	\$ 70,103,294	\$ 26,992,894	2.39%	\$ 621,115	195,399	\$ 201,967		\$ 254,426	\$ 651,792	\$ 1,272,907
12	2013	\$ 43,110,400	\$ 71,505,360	\$ 28,394,960	2.35%	\$ 643,840	196,122	\$ 220,441	\$ 584,350	\$ 255,592	\$ 1,256,505	\$ 1,900,344
13	2014	\$ 43,110,400	\$ 72,935,467	\$ 29,825,067	2.31%	\$ 666,310	196,846	\$ 221,776	\$ 864,588	\$ 256,757	\$ 1,539,968	\$ 2,206,278
14	2015	\$ 43,110,400	\$ 74,394,177	\$ 31,283,777	2.27%	\$ 688,531	197,572	\$ 223,106	\$ 976,038	\$ 257,922	\$ 1,654,639	\$ 2,343,169
15	2016	\$ 43,110,400	\$ 75,882,060	\$ 32,771,660	2.23%	\$ 710,506	198,300	\$ 224,432	\$ 1,007,280	\$ 259,087	\$ 1,689,099	\$ 2,399,605
16	2017	\$ 43,110,400	\$ 77,399,702	\$ 34,289,302	2.20%	\$ 732,241	199,030	\$ 225,754	\$ 1,010,925	\$ 260,251	\$ 1,695,960	\$ 2,428,201
17	2018	\$ 43,110,400	\$ 78,947,696	\$ 35,837,296	2.16%	\$ 753,739	199,762	\$ 227,071	\$ 1,014,581	\$ 261,415	\$ 1,702,829	\$ 2,456,568
18	2019	\$ 43,110,400	\$ 80,526,649	\$ 37,416,249	2.13%	\$ 775,005	200,496	\$ 228,384	\$ 1,018,248	\$ 262,579	\$ 1,709,706	\$ 2,484,711
19	2020	\$ 43,110,400	\$ 82,137,182	\$ 39,026,782	2.09%	\$ 796,042	201,231	\$ 229,693	\$ 1,021,925	\$ 263,743	\$ 1,716,592	\$ 2,512,634
20	2021	\$ 43,110,400	\$ 83,779,926	\$ 40,669,526	2.06%	\$ 816,856	201,969	\$ 230,999	\$ 1,025,612	\$ 264,906	\$ 1,723,486	\$ 2,540,342
21	2022	\$ 43,110,400	\$ 85,455,525	\$ 42,345,125	2.03%	\$ 837,450	202,708	\$ 232,301	\$ 1,029,310	\$ 266,070	\$ 1,730,389	\$ 2,567,839
22	2023	\$ 43,110,400	\$ 87,164,635	\$ 44,054,235	2.00%	\$ 857,827	203,450	\$ 233,599	\$ 1,033,019	\$ 267,234	\$ 1,737,302	\$ 2,595,129
23	2024	\$ 43,110,400	\$ 88,907,928	\$ 45,797,528	2.00%	\$ 881,085	204,912	\$ 235,721	\$ 1,040,390	\$ 269,343	\$ 1,750,366	\$ 2,631,451
24	2025	\$ 43,110,400	\$ 90,686,086	\$ 47,575,686	2.00%	\$ 915,951	209,047	\$ 240,920	\$ 1,061,327	\$ 274,966	\$ 1,786,260	\$ 2,702,210
25	2026	\$ 43,110,400	\$ 92,499,808	\$ 49,389,408	2.00%	\$ 951,514	213,264	\$ 246,223	\$ 1,082,682	\$ 280,702	\$ 1,822,871	\$ 2,774,385
26	2027	\$ 43,110,400	\$ 94,349,804	\$ 51,239,404	2.00%	\$ 987,788	217,566	\$ 251,632	\$ 1,104,465	\$ 286,552	\$ 1,860,214	\$ 2,848,002
27	2028	\$ 43,110,400	\$ 96,236,800	\$ 53,126,400	2.00%	\$ 1,024,788	221,954	\$ 257,149	\$ 1,126,684	\$ 292,519	\$ 1,898,305	\$ 2,923,093
	2029					\$ 1,062,528	226,429	\$ 262,776	\$ 1,149,346	\$ 298,605	\$ 1,937,157	\$ 2,999,685
Total Proceeds, 2008 - 2029 (Not Discounted)						\$ 16,639,217	\$ 4,109,578	\$ 4,386,060	\$ 17,150,769	\$ 5,115,500	\$ 30,761,907	\$ 47,654,915

Note: These projections are based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, actual results during the period covered by our analysis will necessarily vary from those shown here and the variations may be material.

Actual values are shown in italics.

[1] The Park East TID was formed in 2002 and is scheduled to terminate in 2029.

[2] Frozen Base Value is equal to the amended 2005 district-wide base value less the frozen 2000 assessed value of project parcels.

[3] Actual/Inflated Value is equal to the 2009 district-wide assessed value less the 2009 project parcel assessed values, per City of Milwaukee Assessor's Office.

[4] Incremental Value is equal to Actual/Inflated Value less Frozen Base Value.

[5] Incremental Revenue is equal to Incremental Value multiplied by the Tax Rate. The value show pertains to district-wide inflationary increment only and excludes project parcel values.

[6] Total Park East TID Incremental Revenue is equal to inflationary district-wide increment plus redevelopment increment from project parcels. Actual values are shown for 2006 and 2007, per City of Milwaukee.

- **The Flatiron.** The Flatiron is a condominium project, with 25 condominiums already constructed and fully assessed. An additional 13 condominiums have not yet been assessed.

Other Key Assumptions

Table A-2 in the appendix of this report illustrates the phasing assumptions used to project TID revenues and calculate amortization.

- **Timing of Assessments.** Schedule information from the developer indicates that the building is anticipated to begin lease-up in May of 2011, so the Moderne project is expected to be partially assessed in 2012. Following full lease-up of the apartment and retail components and sell-out of the condominiums, full assessment of the project is assumed to occur in 2015.
- **Tax Rate.** Our analysis considered historical trends in the overall City of Milwaukee property tax rate over the past 5, 10, 15, and 20-year periods. The tax rate has trended downward over all of these analysis periods at compound annual rates ranging from about 1.4% (20-year history) to 3.6% (10-year history). For our analysis, *SBFCo* assumed a 2009 tax rate equal to the Assessor's estimate of 2.505% (\$25.05 per \$1,000 of value) and a subsequent annual decline in rate of 1.62%, the compound annual rate of decline for the past 10 years. This decline is assumed to continue through 2023, beyond which point the rate is assumed to remain level at 2%.
- **Valuation Approach.** The following assumptions and methodologies were used to project future property valuations for the purposes of estimating TID revenue:
 - **Apartment Valuation:** *SBFCo* held discussions with the City Assessor's Office to review the potential valuation methodology and result for the Moderne apartments. The Assessor's office indicated it would likely take an income approach to valuation of the property, but might base its value on prevailing area rents, as opposed to specific operating results from the property. Specifically, the Assessor suggested rents of \$1.65 per square foot might be used. This income then might be translated into building value using assumptions such as operating expenses (excluding property tax) equal to 35% of revenues, a 5% vacancy rate, and a cap rate of between 6% and 7%. *SBFCo* assumed a 6.5% cap rate, and added 2.3% to reflect the approximate average property tax rate the Project might experience over the bulk of the TID projection period to result in a "tax-loaded cap rate." In turn, these calculations yield an anticipated building valuation of approximately \$139 per square foot, or about \$146,000 per unit. Assessor data on building square footages for other Downtown apartment projects is limited, so *SBFCo* reviewed data on valuation per unit to benchmark the above assumption. This value falls toward the upper end of observed ranges, but below the highest observed values of \$165/unit for the Franklin at East Pointe. Given the Moderne's higher pro forma rents of \$1.94 per square foot per

month as compared to the Franklin's current values in the \$1.50 range, the \$139/sf Moderne valuation assumption appears reasonable.

- Condominiums: Although the Moderne pro forma assumes sales prices of \$408 per square foot, *SBFCo* assumed a valuation of \$350 per square foot to be conservative and to account for the possibility of price concessions. For the Flatiron project, *SBFCo* used actual assessed values for the units that appear to be fully assessed as of 2009, and projected values for the balance of the units.
 - Retail: Consistent with assumptions used in prior Park East TID projections, *SBFCo* assumed a value of \$111 per square foot for retail space.
 - Hotel: For the Aloft project, *SBFCo* used prior TID projections prepared at the time of the March 2008 TID Funding increase. We are not aware of any changes to the project program or schedule that would materially impact these prior projections.
 - Parking Structure Valuation: Although the parking portion of the Moderne project will be leased separately from the apartments and would itself generate additional net operating income, *SBFCo* did not attribute additional TID value to this component. This reflects the fact that available apartment tax comparables frequently do not have separate taxkeys from their associated parking. Therefore, the stated apartment valuation above includes any additional value that may be attributed to parking.
- **Property Value Growth.** *SBFCo*'s projections assume 2% annual growth in real property assessments for all properties included in the TID projection.

Projected Amortization of TID Debt

SBFCo evaluated the time frame over which the total requested Park East TID funding could be amortized using the available sources of funds. This analysis is presented in **Table 5**.

Per schedules provided by the City of Milwaukee, \$17.55 million of bonding has been attributed to TID 48 to date. The amortization schedule for these bonds was incorporated into this overall analysis. In addition to the \$17.55 million bonded to date, the total Park East TID funding amount includes the following additions:

- Park East Authorized and Expended but Not Yet Bonded: The total Park East expenditures equals the \$19.96 million authorized in 2005 plus the \$1.25 million spending increase authorized in 2008, and an approved \$29,232 inflationary increase in 2009 to dockwall costs funded from TID proceeds. Of this \$21.24 million, almost all funds have been authorized and expended. However, *SBFCo* only had access to actual debt service on issued bonds for \$17.55 million of these proceeds to date. The amount that has been authorized but not yet included in bonding schedules is **\$3,686,392**. This amount is assumed to be bonded in 2009 for the purposes of this feasibility analysis.

- Public Park: An estimated \$750,000 cost for the City to construct a public park anticipated on Block 18 of the Park East planning area is assumed to be bonded in 2010.
- Moderne Mezzanine Loan Principal and Administrative Costs: For timing purposes, the total \$950,000 allotted for Park East administration costs was divided into two equal components, so \$475,000 was added to each principal loan amount for bonding. Together, the Mezzanine loan principal amount and administrative costs total **\$3,775,000**. This amount is assumed to be bonded in 2010.
- Moderne Completion Loan Principal and Administrative Costs: The Completion loan principal amount and associated administrative costs total **\$6,475,000**. This amount is assumed to be bonded in 2011, based on the projected draw-down of funds for this portion of the City's loans to the Project.

METHODOLOGY

These projections replicate the issuance of one or more bonds to support the TIF subsidy, and are based on the following key assumptions:

- **Bond Interest Rates.** *SBFCo* assumed an interest rate of 4.5% on the bonds, reflective of the City of Milwaukee's approximate cost of funds frequently used for TID feasibility analysis.
- **Term, Target Debt Service, and Carry Costs.** Reflecting discussions with the Office of the City Comptroller, the projections assume two years of interest-only payments, followed by fifteen years of level principal and interest payments. The interest-only payments in the first two years of the financing are equal to the size of the assumed capitalized interest reserve, less available fund balances at the time of issuance.

For the fifteen level payment years following the interest-only period, a "TID Annual Debt Service Target" is defined. This amount is equal to the annual level-payment debt service on a 15-year amortization of the total bond issue. In each of the 15 amortization years, this Annual Debt Service Target is compared to the available Repayment Sources. Any shortfalls relative to this target are accrued and carry a 4% annual interest charge until they are repaid. Any surpluses versus the target are used to pay down the accumulated shortfalls.

- **Issuance Costs.** *SBFCo* assumed an issuance cost of 1.00%.

City of Milwaukee
Park East TID
Table 5: Bonding Capacity Analysis

Bonding Assumptions

Interest Rate on Bonds	4.50%
Cost of Funds (Local Government Investment Pool)	4.00%
Issuance Costs @	1.0%
Capitalized Interest Allowance @	10.0%
Assumed Level P&I Payments	15

Tally of Additional Expenditures to be Included in the District

\$ 19,962,894	Park East Authorized Funding Amount- May 2005 Amendment
\$ 1,250,202	Principal Amount Authorized per 3/28/08 Funding Increase
\$ 29,232	2009 RSMMeans Adjustment to Aloft Dockwall Costs
\$ 21,242,328	Subtotal- Authorized TID Costs Prior to This Increase
\$ 17,555,936	Amount already bonded
\$ 3,686,392	Park East Authorized & Expended but Not Yet Bonded
\$ 21,242,328	Subtotal- Authorized TID Costs Prior to This Increase

New Expenditures

\$ 750,000	Public Park on Block 18
\$ 3,775,000	Principal Amount Proposed for Mezzanine Loan to Moderne Project + Admin Costs
\$ 6,475,000	Principal Amount Proposed for Completion Loan to Moderne Project + Admin Costs
\$ 11,000,000	Subtotal New Expenditures
\$ 32,242,328	Total Minimum Bonding Authorized (existing and new obligations)
(17,555,936)	Less Principal Amount of Funds Bonded to Date
\$ 14,686,392	Projected Additional Bonding in This Run

Funding Structure of New Bonds

	Assumed Year	Amount	Plus Issuance Costs	Capitalized Interest	Total Issuance
PE Authorized but Not Bonded	2009	\$ 3,686,392	\$ 36,864	\$ 413,695	\$ 4,136,951
Public Park	2010	\$ 750,000	\$ 7,500	\$ 84,167	\$ 841,667
Mezz Loan Bonding Amt.	2010	\$ 3,775,000	\$ 37,750	\$ 423,639	\$ 4,236,389
Completion Loan Bonding Amt.	2011	\$ 6,475,000	\$ 64,750	\$ 726,639	\$ 7,266,389
TOTAL		\$ 14,686,392			\$ 16,481,395

TID Year	Calendar Year	Projected Incremental Property Taxes	Moderne Debt Service Payments	Existing Debt Service Obligations	Available Funds to Service New Debt	Total New Debt Issued	Total New Debt Service	TID Payoff Analysis				
								Annual Surplus/ (Shortfall)	Cumulative Fund Balance	Interest Earnings/ (Carry Cost) on Cuml. Balance	TID Debt Retired	TID Able to Repay Princ. Balance
8	2009	\$ 609,956		\$ (1,400,327)	\$ (790,371)	\$ 4,136,951	\$ -	\$ (790,371)	\$ (790,371)	\$ (31,615)	NO	NO
9	2010	\$ 754,977		\$ (1,391,873)	\$ (636,896)	\$ 5,078,056	\$ -	\$ (636,896)	\$ (1,458,882)	\$ (58,355)	NO	NO
10	2011	\$ 1,102,980	\$ 7,251,471	\$ (1,382,525)	\$ 6,971,926	\$ 7,266,389	\$ -	\$ 6,971,926	\$ 5,454,689	\$ 218,188	NO	NO
11	2012	\$ 1,272,907	\$ 146,626	\$ (1,380,989)	\$ 38,544	\$ -	\$ (385,207)	\$ (346,663)	\$ 5,326,213	\$ 213,049	NO	NO
12	2013	\$ 1,900,344	\$ 2,795,892	\$ (1,382,512)	\$ 3,313,724	\$ -	\$ (858,044)	\$ 2,455,679	\$ 7,994,941	\$ 319,798	NO	NO
13	2014	\$ 2,206,278		\$ (1,366,313)	\$ 839,964	\$ -	\$ (1,534,645)	\$ (694,681)	\$ 7,620,058	\$ 304,802	NO	NO
14	2015	\$ 2,343,169		\$ (1,575,650)	\$ 767,520	\$ -	\$ (1,534,645)	\$ (767,126)	\$ 7,157,734	\$ 286,309	NO	NO
15	2016	\$ 2,399,605		\$ (1,936,288)	\$ 463,317	\$ -	\$ (1,534,645)	\$ (1,071,329)	\$ 6,372,715	\$ 254,909	NO	NO
16	2017	\$ 2,428,201		\$ (1,997,419)	\$ 430,782	\$ -	\$ (1,534,645)	\$ (1,103,863)	\$ 5,523,761	\$ 220,950	NO	NO
17	2018	\$ 2,456,568		\$ (2,357,801)	\$ 98,767	\$ -	\$ (1,534,645)	\$ (1,435,878)	\$ 4,308,833	\$ 172,353	NO	NO
18	2019	\$ 2,484,711		\$ (1,997,020)	\$ 487,691	\$ -	\$ (1,534,645)	\$ (1,046,955)	\$ 3,434,231	\$ 137,369	NO	NO
19	2020	\$ 2,512,634		\$ (1,972,968)	\$ 539,666	\$ -	\$ (1,534,645)	\$ (994,979)	\$ 2,576,621	\$ 103,065	NO	NO
20	2021	\$ 2,540,342		\$ (1,823,315)	\$ 717,027	\$ -	\$ (1,534,645)	\$ (817,619)	\$ 1,862,067	\$ 74,483	NO	NO
21	2022	\$ 2,567,839		\$ (1,490,112)	\$ 1,077,727	\$ -	\$ (1,534,645)	\$ (456,918)	\$ 1,479,632	\$ 59,185	NO	NO
22	2023	\$ 2,595,129		\$ (219,274)	\$ 2,375,854	\$ -	\$ (1,534,645)	\$ 841,209	\$ 2,380,026	\$ 95,201	NO	NO
23	2024	\$ 2,631,451		\$ (26,066)	\$ 2,605,385	\$ -	\$ (1,534,645)	\$ 1,070,739	\$ 3,545,966	\$ 141,839	NO	NO
24	2025	\$ 2,702,210			\$ 2,702,210	\$ -	\$ (1,534,645)	\$ 1,167,565	\$ 4,855,369	\$ 194,215	NO	YES
25	2026	\$ 2,774,385			\$ 2,774,385	\$ -	\$ (1,534,645)	\$ 1,239,739	\$ 6,289,323	\$ 251,573	NO	YES
26	2027	\$ 2,848,002			\$ 2,848,002	\$ -	\$ (1,149,438)	\$ 1,698,564	\$ 8,239,461	\$ 329,578	NO	YES
27	2028	\$ 2,923,093			\$ 2,923,093	\$ -	\$ (676,601)	\$ 2,246,492	\$ 10,815,531	\$ 432,621	NO	YES
	2029	\$ 2,999,685			\$ 2,999,685	\$ -	\$ -	\$ 2,999,685	\$ 14,247,837	\$ 569,913	YES	YES
TOTALS		\$ 47,054,466	\$ 10,193,989	\$ (23,700,453)	\$ 33,548,002	\$ 16,481,395	\$ (23,019,682)	\$ 10,528,320	\$ 14,247,837	\$ 4,289,430		

Note: These projections are based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, actual results during the period covered by our analysis will necessarily vary from those shown here and the variations may be material.

Based on these amortization assumptions and the underlying TID projection assumptions, *SBFCo* projects that the proposed new Park East TID bonded amount, including costs associated with the Moderne, the dockwall, and the public park, can be amortized by 2025 in the 24th year of the TID. It should be noted that the City of Milwaukee has the ability to regulate the expenditure of the public park cost included in this projection. Further, no additional Park East sites other than the Moderne and those already under development are factored into this analysis, offering additional potential for the TID to realize substantially greater revenues than those included in this feasibility report.

Appendix 1: Construction Cost Review Summary



The Concord Group
Construction Consultants

161 North Clark Street
Suite 2050
Chicago, IL 60601
tel 312.424.0250
fax 312.424.0252

September 3, 2009

Tony Q. Smith, AICP
Practice Leader
S. B. Friedman & Company
221 N. LaSalle, Suite 820
Chicago, IL 60601

RE: Moderne – Updated Construction Cost Review

Dear Mr. Smith:

We have reviewed the updated construction budget prepared by Findorff. This document indicates that Findorff have been working with the architect to refine the design and reduce the estimated construction costs. Along with additional accepted cost savings from alternatives, Findorff also expect to see cost savings when they hard bid selected trades. As the design nears completion, design/estimating contingency is also being reduced.

Based on the information above as supplied by Findorff we believe that the target cost is achievable given the current market conditions and the aggressive bidding environment that currently exists.

Please do not hesitate to contact me if you have any questions.

Sincerely,
The Concord Group

Eamon Ryan
Vice President



The Concord Group

Construction Consultants

ESTIMATE REVIEW COMMENTS

FOR

THE MODERNE SCHEMATIC DESIGN ESTIMATE
(Revision 06112009)

Prepared For:
S. B. Friedman
221 North LaSalle Street
Suite 820
Chicago, IL 60601

Prepared By:
The Concord Group
161 North Clark Street
Suite 2050
Chicago, IL 60601

Date Prepared:
June 19, 2009

OVERVIEW

For the initial review we undertook the following:

- (1) Reviewed Findorff's Schematic Design Estimate (Revision 06112009) provided to us by S. B. Friedman & Company.
- (2) Reviewed the schematic design drawings and associated schematic design narrative to understand the scope of the project.
- (3) Performed take-off of some major project components, such as exterior envelope, structural concrete suspended slabs and interior finishes and major components of MEP systems. These quantities were then priced to reflect current market conditions and a comparative estimate was developed and compared with the Findorff estimate. (See attached estimate and comparison)
- (4) Compared cost/SF and unit costs with pricing for recent projects of similar scope.

COMMENTS

In summary, the following are our comments and recommendations based on our initial review of the documents:

- (1) In general the overall cost of \$115/sqft is reasonable and is in line with similar projects recently completed in Milwaukee.
- (2) General conditions based on 11.52% of estimated total construction costs appear very high for a project of this nature and scope. A percentage of 5% to 6% would, in our opinion, be more appropriate. (It's possible that Findorff has included design contingency in this number, as there is no line item in the estimate that shows what contingency is being carried).
- (3) There are no costs allocated in the estimate for incoming domestic water, sewer, and steam for heating.
- (4) The overall cost for drywall partitions and interior doors, frames and hardware appears high and should be verified.

- (5) The overall cost of the plumbing system at \$3.90/sf seems low considering that this would include a number of plumbing risers (domestic, waste/vent, storm) and piping in the units, deck drains and drainage piping in the parking deck, water heaters, domestic boosters and other miscellaneous equipment and specialties. This cost should be verified.
- (6) The overall cost for HVAC seems high, based on the type of system described in the narrative and should be verified.
- (7) The allowances in the estimate for millwork at the condos seem high and should be verified.
- (8) The lump sum cost for the 3 passenger elevators and 1 freight elevator seems low.

RECOMMENDATIONS

- (1) Request a detailed breakdown of the contractor's general conditions to allow for a more detailed review.
- (2) Request that design contingency be broken out as a separate line item.
- (3) Request a response to our comments (2) through (10) above. Where items are to be verified, a more detailed breakdown should be provided.

[illegible]



	Description	Quantity	Unit	Unit Cost	Subtotal	Total
G	BUILDING SITEWORK					
	Roadways					
	Garage ramp	500	SF	8	\$4,000	
	Concrete paving, 9" colored	500	SF	10	\$5,000	
	Curb & gutter	300	LF	25	\$7,500	
	Planter curb	80	LF	40	\$3,200	
	Subtotal					\$19,700
	Pedestrian Paving					
	Concrete sidewalk, 5"	1,500	SF	5	\$7,500	
	Concrete sidewalk, 5" colored	2,500	SF	8	\$20,000	
	Miscellaneous paving etc.	1	LS	2,500	\$2,500	
	Subtotal					\$30,000
	Site Development					
	Exterior Signage	1	LS	10,000	\$10,000	
	Subtotal					\$10,000
G	TOTAL: BUILDING SITEWORK					\$59,700
A	STRUCTURE					
	Standard Foundation					
	Mat Foundation, 6'-10" deep	3,531	CY	215	\$759,069	
	Subtotal					\$759,069
	Special Foundations					
	Earth retention	7,650	SF	36	\$275,400	
	Dewatering allowance	1	LS	60,000	\$60,000	
	Underpinning allowance	1	LS	30,000	\$30,000	
	Subtotal					\$365,400
	Slab-on-Grade					
	Slab-on-grade on compacted fill	13,950	SF	5.0	\$69,750	
	Subtotal					\$69,750
	Basement Excavation					
	Excavation & haulaway	6,200	CY	22	\$136,400	
	Subtotal					\$136,400
	Basement Walls					
	Basement Walls	307	CY	650	\$199,550	
	Foundation waterproofing	5,522	SF	4	\$22,088	
	Subtotal					\$221,638
	TOTAL: STRUCTURE					\$1,552,257
B	SHELL					
	Elevator/Stair Walls					
	Elevator/Stair Walls	2,777	CY	425	\$1,180,225	
	Subtotal					\$1,180,225
	Floor Construction					
	Post-tensioned concrete slab	384,652	SF	10	\$3,846,520	
	Concrete columns	398,602	SF	3	\$1,195,806	
	Concrete beams	398,602	SF	2.50	\$996,505	
	Miscellaneous structural steel	398,602	SF	0.50	\$199,301	
	Miscellaneous metals	1	LS	25,000	\$25,000	
	Roof structure including penetrations, flashing etc.	11,954	SF	15	\$179,310	
	Firestopping	30	EA	4,000	\$120,000	
	Subtotal					\$6,562,442



Description	Quantity	Unit	Unit Cost	Subtotal	Total
Exterior Walls					
Stone-veneer facing	3,270	SF	35	\$114,450	
Ribbed metal panel cladding w/integral louvers	2,273	SF	38	\$86,374	
Metal panel system	5,468	SF	32	\$174,976	
Pre-cast concrete panels	69,892	SF	36	\$2,516,112	
Balcony railings	2,086	LF	125	\$260,750	
Miscellaneous caulking and sealants	398,602	SF	1	\$398,602	
Subtotal					\$3,551,264
Exterior Windows					
Aluminum curtainwall	3,585	SF	65	\$233,025	
Aluminum curtain wall system, curved/segmented	16,139	SF	90	\$1,452,510	
Aluminum windows	68,382	SF	55	\$3,761,010	
Aluminum storefront	7,741	SF	35	\$270,935	
Window wall mechanical screening	2,257	SF	38	\$85,766	
Subtotal					\$5,803,246
Exterior Doors					
Aluminum doors (glazed) with frames	12	EA	3,000	\$36,000	
Revolving entrance	1	LS	30,000	\$30,000	
Overhead Doors	5	EA	3,000	\$15,000	
Subtotal					\$81,000
Roofing					
Roofing including penetrations, flashing etc.	11,954	SF	16	\$191,264	
Subtotal					\$191,264
B TOTAL: SHELL					\$17,369,441
C INTERIORS					
Partitions					
Partitions, CMU	3,438	SF	14	\$48,132	
Partitions, corridor	100,206	SF	6.50	\$651,339	
Partitions, typical	226,980	SF	5	\$1,134,900	
Miscellaneous wood blocking	398,602	SF	1	\$398,602	
Subtotal					\$2,232,973
Interior Doors/Glazing					
Apartment entrance door, frame & hardware	171	EA	850	\$145,350	
Condo entrance door, frame & hardware	43	EA	950	\$40,850	
Interior door, frame & hardware	738	EA	550	\$405,900	
Miscellaneous door, frame & hardware	54	EA	800	\$43,200	
Cloest doors - apartments	127	EA	250	\$31,750	
Miscellaneous interior glazing	1	LS	50,000	\$50,000	
Subtotal					\$717,050
Specialties					
Toilet accessories - apartment/flex units	203	EA	200	\$40,600	
Toilet accessories - condos	14	EA	400	\$5,600	
Mailboxes	1	LS	10,000	\$10,000	
Closet systems	14	EA	2,000	\$28,000	
Subtotal					\$84,200
Stairs					
Metal Stairs with railings per 2 flights & 1 landing	61	EA	6,000	\$366,000	
Concrete cast-in-place stairs at parking lots	6	EA	2,500	\$15,000	
Subtotal					\$381,000



Description	Quantity	Unit	Unit Cost	Subtotal	Total
Wall Finishes					
Paint gypboard partitions	654,372	SF	0.80	\$523,498	
Paint concrete/masonry partitions	149,958	SF	0.90	\$134,962	
Paint exposed ceiling	97,517	SF	1	\$97,517	
Subtotal					\$755,977
Floor Finishes					
Concrete sealer	97,517	SF	1	\$97,517	
Ceramic Tile - apartments/flex units	19,560	SF	10	\$195,600	
Ceramic Tile - condos	5,500	SF	12	\$66,000	
Ceramic Tile - common areas	3,500	SF	10	\$35,000	
Carpet - apartment/flex units	175,875	SF	3.50	\$615,563	
Carpet - condos	59,050	SF	4	\$236,200	
Carpet - common areas	23,500	SF	4	\$94,000	
Wood flooring with acoustical mat	14,500	SF	14	\$203,000	
Subtotal					\$1,542,880
Ceiling Finishes					
Gypboard ceiling	290,035	SF	5	\$1,305,158	
Acoustical ceiling	25,000	SF	3.85	\$96,250	
Decorative ceiling	1	LS	10,000	\$10,000	
Subtotal					\$1,411,408
C TOTAL: INTERIORS					\$7,125,487
D SERVICES					
Conveying					
Geared traction service freight elevators, 4000 lbs, 31 stops, 200 fpm, Class A	1	EA	426,000	\$426,000	
Geared traction public passenger elevators, 2500 lbs, 20 stops, 200 fpm	2	EA	315,000	\$630,000	
Geared traction public passenger elevators, 2500 lbs, 31 stops, 200 fpm	1	EA	449,000	\$449,000	
Subtotal					\$1,505,000
Plumbing					
Plumbing Equipment and Specialties:					
Heat exchangers, steam/hot water	1	LS	15,000	\$15,000	
Domesitc boosters	3	EA	25,000	\$75,000	
HW circulating pumps	1	LS	8,000	\$8,000	
Elevator sump pump	1	EA	1,500	\$1,500	
Allowance for sump pumps	1	LS	15,000	\$15,000	
Cleanouts, floor, trench drains	1	LS	75,000	\$75,000	
Pipe Including Fittings, Valves, and Supports:					
Allowance for domestic, sanitary, vent, storm piping & insulation including pipe & valve tagging, system testing and balancing	1	LS	1,490,000	\$1,490,000	
Subtotal					\$1,679,500



Description	Quantity	Unit	Unit Cost	Subtotal	Total
Plumbing Fixtures					
Water closets, residential tank-type	304	EA	750	\$228,000	
Lavatories, integral vanity (fixture by others), faucet, hookup	313	EA	700	\$219,100	
Showers	97	EA	1,000	\$97,000	
Tub/shower combination	184	EA	1,400	\$257,600	
Jacuzzi/whirlpool fixture	11	EA	5,500	\$60,500	
Kitchen sinks, stainless steel	220	EA	900	\$198,000	
Bar sinks, stainless steel	31	EA	850	\$26,350	
Washer/dryer box & hookup	220	EA	250	\$55,000	
Dishwasher connections	220	EA	200	\$44,000	
Mop basin (Level 1)	1	EA	1,600	\$1,600	
Subtotal					\$1,187,150
HVAC					
Apartments/Condominiums:					
Level 8:					
Fancoil unit, 4-pipe, 1.5 tons	6	EA	2,500	\$15,000	
Distribution ductwork and grilles (per unit)	6	EA	800	\$4,800	
Toilet exhaust fan w/exhaust duct and cap	6	EA	300	\$1,800	
Fancoil unit, 4-pipe, corridor & elevator lobby	1	EA	4,000	\$4,000	
Ductwork and insulation, corridor & elevator lobby	1	EA	4,200	\$4,200	
Level 9 - 19:					
Fancoil unit, 4-pipe, 1.5 tons	121	EA	2,500	\$302,500	
Distribution ductwork and grilles (per unit)	121	EA	800	\$96,800	
Toilet exhaust fan w/exhaust duct and cap	121	EA	300	\$36,300	
Fancoil unit, 4-pipe, corridor & elevator lobby	11	EA	4,000	\$44,000	
Ductwork and insulation, corridor & elevator lobby	11	EA	4,200	\$46,200	
Levels 20 - 23:					
Fancoil unit, 4-pipe, 1.5 tons	44	EA	2,500	\$110,000	
Distribution ductwork and grilles (per unit)	44	EA	800	\$35,200	
Toilet exhaust fan w/exhaust duct and cap	Central exhaust				
Electric baseboard	1,200	LF	40	\$48,000	
Levels 24 - 28:					
Fancoil unit, 4-pipe, 1.5 tons	50	EA	2,500	\$125,000	
Distribution ductwork and grilles (per unit)	50	EA	800	\$40,000	
Toilet exhaust fan w/exhaust duct and cap	Central exhaust				
Electric baseboard	1,500	LF	40	\$60,000	
Level 29:					
Fancoil unit, 4-pipe, 1.5 tons	6	EA	2,500	\$15,000	
Distribution ductwork and grilles (per unit)	6	EA	800	\$4,800	
Toilet exhaust fan w/exhaust duct and cap	Central exhaust				
Electric baseboard	300	LF	40	\$12,000	
Level 30:					
Fancoil unit, 4-pipe, 1.5 tons	6	EA	2,500	\$15,000	
Distribution ductwork and grilles (per unit)	6	EA	800	\$4,800	
Toilet exhaust fan w/exhaust duct and cap	Central exhaust				
Electric baseboard	300	LF	40	\$12,000	
Central Heating & Cooling Plant:					
Heat exchangers, steam/hot water	3	EA	10,000	\$30,000	
HW pumps, primary	3	EA	6,000	\$18,000	
HW pumps, secondary	2	EA	10,000	\$20,000	
Hydronic pump specialties	1	LS	45,000	\$45,000	
Chillers, centrifugal, 450 tons total (2 @225 tons ea.)	2	EA	95,000	\$190,000	
HW pumps, primary	2	EA	6,000	\$12,000	
HW pumps, secondary	2	EA	10,000	\$20,000	
Hydronic pump specialties	1	LS	45,000	\$45,000	
Cooling tower	1	EA	60,000	\$60,000	
CT sump	1	LS	20,000	\$20,000	
Condenser water pumps	2	EA	15,000	\$30,000	
Hydronic pump specialties - CT pumps	1	LS	35,000	\$35,000	
Unit heaters	1	LS	6,000	\$6,000	



Description	Quantity	Unit	Unit Cost	Subtotal	Total
Centralized Ventilation Systems:					
Level 8:					
AHU, fitness center, w/ductwork	1	LS	22,000	\$22,000	
Exhaust system - fitness center	1	LS	5,000	\$5,000	
Level 20-23:					
Toilet exhaust fan	4	EA	1,200	\$4,800	
Exhaust ductwork (per floor)	4	EA	4,000	\$16,000	
Level 24-28:					
Toilet exhaust fan	5	EA	1,200	\$6,000	
Exhaust ductwork (per floor)	5	EA	4,000	\$20,000	
Level 29:					
Toilet exhaust fan	1	EA	1,200	\$1,200	
Exhaust ductwork (per floor)	1	EA	4,000	\$4,000	
Level 30:					
Toilet exhaust fan	1	EA	1,200	\$1,200	
Exhaust ductwork (per floor)	1	EA	4,000	\$4,000	
Lower/Parking Levels:					
Level B1:					
MAU, gas-fired, 6800 cfm	1	EA	14,000	\$14,000	
OA duct to MAU	1	LS	2,000	\$2,000	
Exhaust fan, inline	1	EA	2,500	\$2,500	
OA, EA louvers	2	EA	2,000	\$4,000	
CO detection	1	LS	3,000	\$3,000	
Electrical, generator room exhaust fan, 25,000 cfm	2	EA	18,000	\$36,000	
Exhaust ductwork, electrical room	1	LS	8,000	\$8,000	
Level 1:					
Unit heaters, gas-fired, w/flue and gas connections	4	EA	2,800	\$11,200	
Hydronic unit heaters (temp. heat - retail spaces)	1	LS	8,000	\$8,000	
AHU - Apartment, condo lobby	1	EA	7,000	\$7,000	
OA louver to AHU	1	EA	2,000	\$2,000	
Ducted distribution	1	LS	2,000	\$2,000	
Levels 2 thru 7:					
MAU, gas-fired, 6800 cfm	7	EA	14,000	\$98,000	
OA duct to MAU	7	EA	1,500	\$10,500	
Exhaust fan, inline	7	EA	2,500	\$17,500	
OA, EA louvers	14	EA	2,000	\$28,000	
CO detection	1	LS	20,000	\$20,000	
Roof:					
Unit heaters	1	EA	2,000	\$2,000	
OA, EA louvers	1	LS	7,000	\$7,000	
Misc.:					
Unit heaters - gas-fired, elevator equipment room	1	EA	3,500	\$3,500	
Cabinet unit heaters, stairs	1	LS	90,000	\$90,000	
Piping:					
Allowance for steam, condensate, CHW, HW, cooling tower, gas, and misc. piping throughout building	1	LS	800,000	\$800,000	
Controls - Central Equipment:					
Heat exchangers, steam/hot water	3	EA	5,500	\$16,500	
HW pumps, primary	3	EA	1,200	\$3,600	
HW pumps, secondary	2	EA	3,000	\$6,000	
Chillers, centrifugal, 450 tons total (2 @225 tons ea.)	2	EA	1,200	\$2,400	
HW pumps, primary	2	EA	1,200	\$2,400	
HW pumps, secondary	2	EA	3,000	\$6,000	
Cooling tower	1	EA	5,000	\$5,000	
Condenser water pumps	2	EA	1,200	\$2,400	
AHU, fitness center, w/ductwork	1	EA	2,000	\$2,000	
Exhaust system - fitness center	1	LS	2,000	\$2,000	
Toilet exhaust fans - floor 20-30	11	EA	2,500	\$27,500	
Makeup/exhaust air unit - floors 20-30 - 8800 cfm, CHW, HW coil	1	EA	5,000	\$5,000	



Description	Quantity	Unit	Unit Cost	Subtotal	Total
Stairway pressurization fans, 30,000 cfm, inline, w/VFD	2	EA	5,000	\$10,000	
Split AC units - elevator equipment room	1	EA	3,500	\$3,500	
Recirculating fan w/charcoal filter - trash room	23	EA	2,200	\$50,600	
Miscellaneous points & devices	1	LS	20,000	\$20,000	
Engineer's station	1	EA	15,000	\$15,000	
Engineering, testing, and training	1	EA	25,000	\$25,000	
Tagging, Test & Balance, and Commissioning:					
Air balancing	1	LS	15,000	\$15,000	
Pipe and valve tagging	1	LS	25,000	\$25,000	
Pipe testing and balancing	1	LS	40,000	\$40,000	
System commissioning	1	LS	50,000	\$50,000	
Subtotal					\$3,163,700
Fire Protection					
Sprinkler systems	398,602	SF	1.50	\$597,903	
Subtotal					\$597,903
Electrical					
Electrical systems	398,602	SF	9.25	\$3,687,069	
Subtotal					\$3,687,069
D TOTAL: SERVICES					\$11,820,322
E EQUIPMENT & FURNISHINGS					
Miscellaneous equipment:					
Appliances - aptmts/flex units	203	EA	2,500	\$507,500	
Appliances - condos	5	EA	15,000	\$75,000	
Appliances - condos	1	EA	20,000	\$20,000	
Appliances - condos	8	EA	25,000	\$200,000	
Trash chute	427	LF	125	\$53,375	
Fireplaces	14	EA	7,500	\$105,000	
Subtotal					\$960,875
Fixed Furnishings					
Apartments/Flex units:					
Countertops	1,716	LF	65	\$111,540	
Base cabinet with countertops	2,555	LF	200	\$511,000	
Wall cabinets	1,183	LF	125	\$147,875	
Shelving & pole	2,776	LF	15	\$41,640	
Bathroom countertop & vanities	203	EA	500	\$101,500	
Condos:					
Countertops	248	LF	125	\$31,000	
Base cabinet with countertops	324	LF	350	\$113,400	
Wall cabinets	164	LF	300	\$49,200	
Shelving & pole	480	LF	25	\$12,000	
Bathroom countertop & vanities	28	EA	1,000	\$28,000	
Bathroom countertop & vanities, double	9	EA	2,000	\$18,000	
Miscellaneous millwork	398,602	SF	1.50	\$597,903	
Subtotal					\$1,763,058
E TOTAL: EQUIPMENT & FURNISHINGS					\$2,723,933

The Moderne
Base Building
Comparison

SD Estimate
June 19, 2009

TRADE SECTION	CONCORD	FINDORFF TOTALS			SUBTOTALS					
		COST	DEVIATION		COST	DEVIATION				
	\$	\$	\$	%	\$	\$	%			
BUILDING SITEWORK	59,700	59,058	(642)	-1.09%						
Site Improvement	19,700				18,413	(1,287)	-6.99%			
Pedestrian Paving	30,000				30,645	645	2.10%			
Site Development	10,000				10,000	0	0.00%			
STRUCTURE	1,552,257	1,547,576	(4,681)	-0.30%						
Standard Foundation	759,069				742,561	(16,508)	-2.22%			
Special Foundations	365,400				372,995	7,595	2.04%			
Slab on Grade	69,750				42,104	(27,646)	-65.66%			
Basement Excavation	136,400				167,000	30,600	18.32%			
Basement walls	221,638				222,916	1,278	0.57%			
SHELL	17,369,441	17,078,840	(290,601)	-1.70%						
Elevator/Stair Walls	1,180,225				0	(1,180,225)				
Floor Construction	6,562,442				6,912,291	349,849	5.06%			
Exterior Walls	3,551,264				3,316,107	(235,157)	-7.09%			
Exterior Windows	5,803,246				6,549,463	746,217	11.39%			
Exterior Doors	81,000				65,452	(15,548)	-23.75%			
Roofing	191,264				235,527	44,263	18.79%			
INTERIORS	7,125,487	8,510,033	1,384,546	16.27%						
Partitions	2,232,973				3,473,768	1,240,795	35.72%			
Interior Doors	717,050				1,217,449	500,399	41.10%			
Specialties	84,200				76,966	(7,234)	-9.40%			
Stairs	381,000				290,000	(91,000)	-31.38%			
Wall Finishes	755,977				743,200	(12,777)	-1.72%			
Floor Finishes	1,542,880				1,476,338	(66,542)	-4.51%			
Ceiling Finishes	1,411,408				1,232,312	(179,096)	-14.53%			
SERVICES	11,820,322	10,121,366	(1,698,956)	-16.79%						
Conveying	1,505,000				1,200,000	(305,000)	-25.42%			
Plumbing	1,679,500				1,275,800	(403,700)	-31.64%			
Plumbing Fixtures	1,187,150				279,776	(907,374)	-324.32%			
HVAC	3,163,700				3,564,300	400,600	11.24%			
Fire Protection	597,903				550,400	(47,503)	-8.63%			
Electrical	3,687,069				3,251,090	(435,979)	-13.41%			
EQUIPMENT & FURNISHINGS	2,723,933	3,322,550	598,617	18.02%						
Miscellaneous Equipment	960,875				906,023	(54,852)	-6.05%			
Fixed Furnishings	1,763,058				2,416,527	653,469	27.04%			
SUBTOTAL	\$40,651,140	\$40,639,423	(\$11,717)	-0.03%	\$40,639,423	(\$665,186)	-0.03%			
General Conditions / Insurance	2,439,068	4,682,692	2,243,624	47.91%	4,682,692	2,243,624	47.91%			
Contractor's Fees	1,077,255	816,501	(260,754)	-31.94%	816,501	(260,754)	-31.94%			
Design Contingency	2,208,373	0	(2,208,373)		0	(2,208,373)				
TOTAL ESTIMATED CONSTRUCTION COSTS	\$46,375,836	\$46,138,616	(\$237,220)	-0.51%	\$46,138,616	(\$890,689)	-0.51%			

Appendix 2: TID Projection and Pro Forma Detail

City of Milwaukee- Moderne Loan Analysis
Table A-1: Loan Draws and Repayment
During Construction

		Pre-Const	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	
Hard Costs Spent			1.7%	3.2%	3.8%	3.3%	4.2%	5.8%	5.6%	5.6%	7.9%	7.9%	7.9%	7.7%	4.9%	5.6%	3.5%	3.5%	3.5%	3.4%	
Soft Costs Spent			94.4%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.6%	0.1%	0.1%	0.1%	0.1%	0.1%	
Developer Fee Paid			1.7%	3.2%	3.8%	3.3%	4.2%	5.8%	5.6%	5.6%	7.9%	7.9%	7.9%	7.7%	4.9%	5.6%	3.5%	3.5%	3.5%	3.4%	
USES																					
Land and Predev Costs	\$	\$	2,612,444																		
Hard Costs	\$	\$	43,251,855	\$	722,483	\$	1,369,403	\$	1,629,085	\$	1,416,577	\$	1,817,961	\$	2,502,716	\$	2,422,626	\$	2,423,154	\$	3,422,716
Soft Costs	\$	\$	4,975,641	\$	4,698,029	\$	3,725	\$	3,725	\$	3,725	\$	3,725	\$	3,725	\$	3,725	\$	3,725	\$	3,725
Construction Interest	\$	\$	2,424,955	\$	-	\$	5,066	\$	10,520	\$	19,081	\$	26,578	\$	36,205	\$	49,448	\$	62,343	\$	75,306
Developer Fee (Un-Deferred)	\$	\$	700,000	\$	11,693	\$	22,163	\$	26,366	\$	22,926	\$	29,422	\$	40,505	\$	39,208	\$	39,217	\$	55,394
TOTAL	\$	\$	53,964,896	\$	2,612,444	\$	5,432,205	\$	1,400,356	\$	1,669,695	\$	1,462,309	\$	1,877,686	\$	2,583,149	\$	2,515,008	\$	2,528,438
COMMITTED SOURCES AT CLOSING																					
Equity	\$	\$	3,756,588	\$	2,612,444	\$	1,144,144	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
City Mezz	\$	\$	3,300,000	\$	3,300,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
City Base	\$	\$	6,000,000	\$	-	\$	336,416	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
NOI During Construction	\$	\$	594,196	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Senior Debt	\$	\$	41,410,623	\$	988,061	\$	1,063,941	\$	1,669,695	\$	1,462,309	\$	1,877,686	\$	2,583,149	\$	2,515,008	\$	2,528,438	\$	3,557,140
TOTAL	\$	\$	55,061,408	\$	2,612,444	\$	5,432,205	\$	1,400,356	\$	1,669,695	\$	1,462,309	\$	1,877,686	\$	2,583,149	\$	2,515,008	\$	2,528,438
REPAYMENT SOURCES																					
NOI	\$	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Condo Sales	\$	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total Repayment Sources	\$	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
LOAN REPAYMENT																					
City Mezz	100%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
City Base	0%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Equity Distribution	\$	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
TOTAL	\$	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
INTERIM INTEREST																					
City Mezz	Balance	15.00%	\$	-	\$	3,300,000	\$	3,341,244	\$	3,383,003	\$	3,425,284	\$	3,468,093	\$	3,511,438	\$	3,555,324	\$	3,599,759	
Accruing Interest			\$	-	\$	41,243.7	\$	41,759.1	\$	42,281.1	\$	42,809.5	\$	43,344.5	\$	43,886.2	\$	44,434.7	\$	44,990.1	
City Base	Balance		\$	-	\$	336,416	\$	338,140	\$	339,874	\$	341,615	\$	343,368	\$	345,128	\$	346,898	\$	348,676	
Accruing Interest		6.15%	\$	-	\$	-	\$	1,724.8	\$	1,733.6	\$	1,742.5	\$	1,751.4	\$	1,760.4	\$	1,769.4	\$	1,778.5	
Senior Debt	Balance		\$	-	\$	988,061	\$	2,052,002	\$	3,721,697	\$	5,184,006	\$	7,064,691	\$	9,644,841	\$	12,159,848	\$	14,688,282	
Pmt of Capitalized Interest		6.15%	\$	-	\$	5,065.7	\$	10,520.4	\$	19,080.8	\$	26,578.0	\$	36,204.7	\$	49,448.3	\$	62,342.5	\$	75,305.6	

Source: Milwaukee Moderne, LLC and S. B. Friedman & Company

City of Milwaukee- Moderne Loan Analysis
Table A-1: Loan Draws and Repayment
During Construction

		May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13				
					COMPLETION				YEAR 1												YEAR 2							
Hard Costs Spent		3.2%	3.2%	2.9%	2.0%																							
Soft Costs Spent		0.1%	0.1%	0.1%	3.5%																							
Developer Fee Paid		3.2%	3.2%	2.9%	2.0%																							
USES																												
Land and Predev Costs		\$	2,612,444																									
Hard Costs		\$	43,251,855	\$	1,394,125	\$	1,371,735	\$	1,253,475	\$	849,265																	
Soft Costs		\$	4,975,641	\$	3,725	\$	3,725	\$	3,725	\$	175,807																	
Construction Interest		\$	2,424,955	\$	196,970	\$	201,311	\$	204,339	\$	205,539																	
Developer Fee (Un-Deferred)		\$	700,000	\$	22,563	\$	22,201	\$	20,287	\$	13,745																	
TOTAL		\$	53,964,896	\$	1,617,382	\$	1,598,971	\$	1,481,825	\$	1,244,356																	
COMMITTED SOURCES AT CLOSING																												
Equity		\$	3,756,588	\$	-	\$	-	\$	-	\$	-																	
City Mezz		\$	3,300,000	\$	-	\$	-	\$	-	\$	-																	
City Base		\$	6,000,000	\$	664,107	\$	889,924	\$	1,117,045	\$	876,378																	
NOI During Construction		\$	594,196	\$	106,543	\$	118,461	\$	130,706	\$	144,040																	
Senior Debt		\$	41,410,623	\$	846,732	\$	590,586	\$	234,074	\$	223,938																	
TOTAL		\$	55,061,408	\$	1,617,382	\$	1,598,971	\$	1,481,825	\$	1,244,356																	
			TRUE		TRUE		TRUE		TRUE																			
REPAYMENT SOURCES																												
NOI																												
Condo Sales		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$				
Total Repayment Sources		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$				
			TRUE		TRUE		TRUE		TRUE		TRUE		TRUE		TRUE		TRUE		TRUE		TRUE		TRUE					
LOAN REPAYMENT																												
City Mezz 100%		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$				
City Base 0%		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$				
Equity Distribution		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$				
TOTAL		\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$				
			TRUE		TRUE		TRUE		TRUE		TRUE		TRUE		TRUE		TRUE		TRUE		TRUE		TRUE					
INTERIM INTEREST																												
City Mezz Balance		15.00%	\$	4,126,765	\$	4,178,341	\$	4,230,563	\$	4,283,437	\$	4,302,264	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-				
Accruing Interest			\$	50,940.0	\$	51,576.7	\$	52,221.3	\$	52,873.9	\$	53,534.7	\$	53,770.0	\$	-	\$	-	\$	-	\$	-	\$	-				
City Base Balance			\$	3,217,430	\$	4,123,849	\$	5,262,037	\$	6,165,393	\$	6,197,003	\$	3,437,460	\$	3,420,376	\$	3,403,205	\$	3,385,945	\$	3,368,597	\$	3,351,159				
Accruing Interest		6.15%	\$	13,023.9	\$	16,495.5	\$	21,142.6	\$	26,978.0	\$	31,609.5	\$	31,771.5	\$	17,623.6	\$	17,536.0	\$	17,447.9	\$	17,359.5	\$	17,270.5				
Senior Debt Balance			\$	39,265,513	\$	39,856,099	\$	40,090,173	\$	40,314,111																		
Pmt of Capitalized Interest		6.15%	\$	196,969.9	\$	201,311.0	\$	204,338.9	\$	205,539.0																		

Source: Milwaukee Moderne, LLC and S. B. Friedman & Company

City of Milwaukee- Moderne Loan Analysis
Table A-1: Loan Draws and Repayment
During Construction

		Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
Hard Costs Spent																		
Soft Costs Spent																		
Developer Fee Paid																		
USES																		
Land and Predev Costs	\$	2,612,444																
Hard Costs	\$	43,251,855																
Soft Costs	\$	4,975,641																
Construction Interest	\$	2,424,955																
Developer Fee (Un-Deferred)	\$	700,000																
TOTAL	\$	53,964,896																
COMMITTED SOURCES AT CLOSING																		
Equity	\$	3,756,588																
City Mezz	\$	3,300,000																
City Base	\$	6,000,000																
NOI During Construction	\$	594,196																
Senior Debt	\$	41,410,623																
TOTAL	\$	55,061,408																
REPAYMENT SOURCES																		
NOI		\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131.12	\$ 24,131.12	\$ 24,131.12	\$ 24,131.12	\$ 24,131.12	\$ 24,131.12	\$ 24,131.12	\$ 24,131.12	\$ 24,131.12	\$ 24,131.12	\$ 24,131.12	\$ 24,131.12
Condo Sales	\$	-	\$ -	\$ -	\$ 837,000	\$ 548,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 929,070	\$ -	\$ -	\$ -
Total Repayment Sources	\$	-	\$ 24,131	\$ 24,131	\$ 861,131	\$ 572,831	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 953,201	\$ 24,131	\$ 24,131	\$ 24,131
LOAN REPAYMENT																		
City Mezz 100%	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Base 0%	\$	-	\$ 24,131	\$ 24,131	\$ 350,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity Distribution	\$	-	\$ -	\$ -	\$ 510,895	\$ 572,831	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 953,201	\$ 24,131	\$ 24,131	\$ 24,131
TOTAL	\$	-	\$ 24,131	\$ 24,131	\$ 861,131	\$ 572,831	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 24,131	\$ 953,201	\$ 24,131	\$ 24,131	\$ 24,131
INTERIM INTEREST																		
City Mezz Balance	15.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Mezz Accruing Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Base Balance		\$ 370,680	\$ 348,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City Base Accruing Interest	6.15%	\$ 2,013.8	\$ 1,900.4	\$ 1,786.5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Senior Debt Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Senior Debt Pmt of Capitalized Interest	6.15%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: Milwaukee Moderne, LLC and S. B. Friedman & Company

Park East TID

Table A2: Project Phasing Assumptions

[illegible]

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

OCTOBER 27, 2009

Item 6, File #090687

File Number 090687 is a resolution authorizing additional funding for Tax Incremental District No. 48 (Park East) and approving the terms of a Development Agreement for the property located at 1141 North Old World Third Street (The Moderne).

Background

1. On March 5, 2002, the Common Council adopted File Number 011182, a resolution creating Tax Incremental District No. 48 (“TID 48”) and approving a project plan for the district. Subsequent Common Council actions relating to this TID include:
 - File No. 041514 (adopted May 3, 2005) - approved an amended and restated project plan for the district, expanded the district’s boundaries and increased the project’s budget from \$3.9 million to \$19,962,895.
 - File No. 071392 (adopted April 9, 2008) - authorized \$1,250,202 in additional project costs within TID 48 for purchase of right-of-way for Ogden and Market Street extensions and a riverwalk and public infrastructure project, and approved the terms of the related riverwalk development agreement.
 - File No. 081717 (adopted May 27, 2009) – approved an amendment to the riverwalk development agreement and increased the total project budget for TID 48 by \$29,232, bringing it to a total of \$21,242,278.
2. Milwaukee Moderne, LLC, a development firm managed by Rick Barrett, desires to develop The Moderne, a \$55.2 million mixed-use project to be located at 1141 North Old World Third Street (southwest corner of Juneau Avenue and Old World Third Street). The development site is located within the boundary of TID 48. The 30-story Moderne would include 14 condominium units, 203 apartments, 204 above-ground, structured parking spaces and 7,230 square feet of street-level retail space.
3. The term sheet for The Moderne indicates the project will receive funding from the following sources:
 - Approximately \$41.4 million from a HUD 221(d)4-enhanced “senior” loan funded by CAPMARK. The term of the loan is the construction period plus 40 years. The interest rate is likely to be in the range of 6-7%.
 - Approximately \$4.53 million in developer equity.
 - \$9.3 million in 2 loans from the City – a \$6 million “completion loan” (with the same interest rate as the HUD-backed loan) and a “mezzanine loan” of \$3.3 million (at an interest rate of 14-15%).
4. The term sheet calls for the 2 City loans for the project to be funded by TID 48. However, almost all of the TID’s existing \$21.2 million in expenditure authorization has already been

used. The remaining funding authorized for TID 48 is insufficient for the Moderne loans -- hence the need to authorize an increase in funding for the district.

Discussion

1. This resolution (Proposed Substitute A) increases the funding for TID 48 by \$11 million for the purposes of providing 2 loans to The Moderne (a \$6 million completion loan and a \$3.3 million mezzanine loan) and providing \$850,000 million for design and construction of a public park within TID 48 and another \$850,000 for the City's TID 48 administrative costs.
2. This resolution also approves the term sheet for The Moderne Development Agreement. The term sheet calls for the City to make the 2 loans to the developer through the Redevelopment Authority. The City will subordinate its callateral position for the apartment, parking and retail components of the project to the lender providing the senior loan, but will have a first lien on the condominium component.
3. The update economic feasibility study for the project, prepared by S.B. Friedman & Company, indicates that the proposed Moderne project, along with other already-constructed development projects within TID 48 and inflation of other undeveloped parcels with the district, will generate sufficient tax incremental revenues for TID 48 to fully amortize the \$32.3 million in net bond proceeds by 2025, the 24th year of the TID (and within the statutory limit of 27 years for the life of a TID).
4. The resolution also directs the Commissioner of City Development to enter into the contracts and agreements necessary to carry out the improvements intended to be funded with the increase funding authorization. This would include the actual development agreement, loan agreements and ancillary loan documents (the term sheet indicates that the Redevelopment Authority will also be a party to these agreements).

Fiscal Impact

This resolution authorizes the expenditure of \$11 million (plus capitalized interest) for Tax Incremental District No. 48 (Park East), specifically for the purpose of providing 2 City/RACM loans for The Moderne project (totaling \$9.3 million), \$850,000 for a public park in TID 48 and \$850,000 for City TID administrative costs. It is anticipated that this funding will be recovered through repayment of the loans by the developer (both loans have a 4-year term plus a 2-year construction period) and through incremental tax revenues from the TID.

Prepared by: Jeff Osterman, X2262
LRB-Research & Analysis Section
October 23, 2009

c: Rocky Marcoux
Martha Brown
Allison Rozek
Joe' Mar Hooper
Marianne Walsh

CITY OF MILWAUKEE FISCAL NOTE

A) DATE October 21, 2009FILE NUMBER: 090687Original Fiscal Note ☐ Substitute ☒SUBJECT: Substitute resolution authorizing additional funding for Tax Incremental District No. 48, Park East, and approving the terms of a Development Agreement for the property located at 1141 North Old World Third Street, 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) TID No. 48

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:	TID No. 48	TDO4880000	\$11,000,000 (plus capitalized interest)		
TOTALS					

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:

None.

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

\$6,000,000 for a completion loan; \$3,300,000 for a mezzanine loan; \$850,000 for a public park; \$850,000 for city administration of TID No. 48 over the life of the TID.

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE ☐

CITY OF MILWAUKEE FISCAL NOTE

A) DATE September 22, 2009

FILE NUMBER: _____

Original Fiscal Note ☒ Substitute ☐SUBJECT: Resolution authorizing additional funding for Tax Incremental District No. 48, Park East, and approving the terms of a Development Agreement for the property located at 1141 North Old World Third Street, 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) TID No. 48

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:	TID No. 48	TDO4880000	\$11,700,000 (plus capitalized interest)		
TOTALS					

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:

None.

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

\$6,000,000 for a completion loan; \$4,000,000 for a mezzanine loan; \$850,000 for a public park; \$850,000 for city administration of TID No. 48 over the life of the TID.

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE ☐

NOTICES SENT TO FOR FILE : 090687

[illegible]



Legislation Details (With Text)

File #: 081081 **Version:** 1

Type: Ordinance **Status:** In Committee

File created: 11/25/2008 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Substitute ordinance relating to the change in zoning from General Planned Development to a Detailed Planned Development known as Bookends North, for a 19-story, mixed-use building with up to 224 residential units, on land located on the North Side of East Kilbourn Avenue and East of North Van Buren Street, in the 4th Aldermanic District.

Sponsors: ALD. BAUMAN

Indexes: ZONING, ZONING DISTRICT 04

Attachments: Exhibit A as of 10-19-09.pdf, Exhibit A Continued as of 10-19-09.pdf, Supplemental Information as of 10-19-09.pdf, Proposed Zoning Change Map.jpg, Notice Published on 10-12-09 and 10-19-09, Affidavit for Zoning Change.pdf, City Plan Commission Letter.pdf, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
11/25/2008	0	COMMON COUNCIL	ASSIGNED TO		
12/2/2008	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	REFERRED TO		
10/6/2009	1	CITY CLERK	DRAFT SUBMITTED		
10/12/2009	1	CITY CLERK	PUBLISHED		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/21/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number
081081
Version
SUBSTITUTE 1
Reference

Sponsor
ALD. BAUMAN

Title
Substitute ordinance relating to the change in zoning from General Planned Development to a Detailed Planned Development known as Bookends North, for a 19-story, mixed-use building with up to 224 residential units, on land located on the North Side of East Kilbourn Avenue and East of North Van Buren Street, in the 4th Aldermanic District.

Analysis
This zoning change was initiated by New Land Construction, LLP and Bookends North, LLP and will allow for the construction of a 19-story, approximately 480,000 square-foot, mixed-use building with up to 224 residential units. The first 5 stories will consist of structured parking and the upper 14 stories will be residential.

Body
The Mayor and Common Council of the City of Milwaukee ("Common Council"), do ordain as follows:

Part 1. There is added to the Milwaukee Code of Ordinances ("Code") a new section to read as follows:

Section 295-907(2)(c).0149.

(1) In accordance with the provisions of Section 295-907 of the Code relating to the establishment of planned development districts, the Common Council approves the subject Detailed Planned Development, 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.

(2) The zoning map is amended to change the zoning for the area described and bounded by:

Lots 9, 10, 11 and the South 3.0 feet of Lot 12 in Block 91 in the plat of partition of Lot 1 City of Milwaukee in the Northwest 1/4 of Section 28, Town 7 North, Range 22 East, City of Milwaukee, Milwaukee County, Wisconsin, together with that part of Lot 8 in Block 91, which is bounded and described as follows: Beginning at the northeast corner of said Lot 8; thence South along the east line of Lot 8 aforesaid 30.13 feet, to a point on the northerly line of East Kilbourn Avenue; thence Southwesterly along the northerly line of East Kilbourn Avenue 129.52 feet (129.42 feet surveyed) to a point on the east line of North Van Buren Street; thence North along the east line of North Van Buren Street 48.46 feet to the northwest corner of said Lot 8; thence East along the north line of Lot 8 aforesaid 128.21 feet (128.19 feet surveyed) to the point of beginning, containing a net area of 28,504 square feet or .06543 acres of land, from General Planned Development (GPD) to Detailed Planned Development (DPD).

(3) The requirements set forth in said detailed plan attached to this Common Council File as Exhibit A, constitute the zoning regulations for the area contained in such planned development district described, provided further, that the effect of the approval of such detailed plan is that such plan shall limit and control construction, location, use and operation of all land and structures included within the detailed plan to all conditions and limitations set forth in such detailed plan.

Part 2. Any persons, firm, company or corporation owning, controlling or managing any building or premises wherein or whereon there shall be placed or there exists anything in violation of the terms of this ordinance; or who shall build contrary to the plans or specifications submitted to and approved by the Commissioner of the Department of City Development, or any person, firm, company or corporation who shall omit, neglect or

refuse to do any act required in this ordinance shall be subject to the penalties provided in Section 200-19 of the Code.

Part 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions. The Common Council declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase or portion irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases or other portions be declared void or invalid.

Drafter

DCD:AJF:ajf

10/06/09

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Detailed Planned Development

October 2, 2009

Project Description and Owner's Statement of Intent Components of Detailed Plan and Supporting Materials

700 E. Kilbourn Ave and 926 N. Van Buren St.
Project Number: 06-125A
File Number: 081081

Purpose:

New Land Enterprises and Bookends North, LLP. requests that the zoning for the properties at 700 E. Kilbourn Ave and 926 N. Van Buren St. (also known as Bookends) be amended to a Detailed Planned Development (DPD) in accordance with this submittal. This statement, together with the accompanying drawings and related materials, constitutes and supports the Detailed Planned Development.

Enumeration of Documents:

	Detailed Planned Development Description and Owner's Statement of Intent
Exhibit A	Statistical Sheet
Exhibit B	Exterior Light Fixtures
Exhibit C	Existing Site Context Photos

DRAWING SHEETS: 11 x 17

T100	Titlesheet
Civil	Existing Site Plan
	Grading and Erosion Control Plan
	Grading and Erosion Control Detail Plan
	Utility Plan
	Details
	Existing Plat of Survey
	Proposed Plat of Survey
A001	Site Plan with Landscaping
A200	Ground Floor Plan
A201	Parking Level 2
A202	Parking Level 3 – 4
A203	Parking Level 5
A204	Unit Floor Plans 6 – 19
A400	Elevations
A401	Elevations

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DETAILED PLANNED DEVELOPMENT DESCRIPTION

1. USES:

Development is for mixed use retail and multifamily residential building with parking for residents. The unit mix is composed of one, two and three bedroom (of varying sizes) apartments. Proposed retail uses may include general retail establishments, personal and business services and restaurants.

2. DESIGN STANDARDS:

Building Overview:

Street Level: Resident Entrance & Lobby
Office
Retail
Swimming Pool/Whirlpool with Lockers
Community Room
Exercise Room
Parking
Mechanical
Floors 2 – 5: Resident Parking and Storage
Floors 6 – 19: Resident Units

The exterior building materials are primarily glass, two different colored precast concrete panels with reveals and two different colors of brick. The most significant design challenge is to thoughtfully breakdown the scale of the four levels of parking above the first floor, particularly at the highly visible west and south elevations. We achieved this by introducing an overlapping composition of diverse materials. Vertical brick elements extend below the datum line at the top level of parking and the glazing system creates a literal split in the base on the west, south and east elevations. This serves to eliminate a continual "water line" at the top of the parking level while integrating the base with the vertical elements above.

The residential main entrance on Kilbourn Avenue is accentuated by a cantilever "canopy" element, which repeats itself in a smaller scale on the west and south elevations to provide a further level of detail and reduction in scale. The east elevation, which normally would be fronting an alley, has been articulated with windows and similar overlapping of diverse materials that continues the vocabulary as established on the west and south elevations.

The balconies on the north and south elevations and north and south units on the east and west elevations will be stainless steel rail with glass panel system. The remaining balconies will be metal framed railings with a metal mesh infill.

3. DENSITY:

- Up to 224 dwelling units for the apartment building.

4. SPACE BETWEEN STRUCTURES

- See attached site plan.

5. SETBACKS:

- Setbacks required per the GPD.
 - Side Setback, Street (South property line): 0'-0" to average of neighboring buildings
 - Side, Setback, Interior (North property line): 5'-0" minimum.
 - Rear Setback (East property line): Varies, 11'-0" minimum

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- Front, Street Setback (West property line): 0'-0" to average of neighboring buildings required.
- Overhead doors recessed 4'-0" from property line.
- See site plan for proposed setback dimensions.

6. SCREENING:

- Not applicable.

7. OPEN SPACES:

- Open space is provided along the east and north property lines. See drawings.

8. CIRCULATION, PARKING AND LOADING:

- Vehicular access will be from Van Buren Street; two entrances provided.
- Parking will be located within the structure for residents.
- Trash/recycling will be internal to the new building and accessed from Van Buren Street.
- Main pedestrian access is along Kilbourn Avenue. The retail space on Van Buren may have up to three entrances depending on the tenant.
- Deliveries will occur on Van Buren Street.
- Service access, loading and unloading will be from Van Buren Street.

9. LANDSCAPING:

- Landscaping is required by code only to screen surface parking areas and does not apply to this project.
- Proposed landscaping: East – grass and columnar arborvitae, shrubs and plantings; North – rock mulch and grass; South and West – none.

10. LIGHTING:

- Proposed outdoor lighting complies with current lighting regulations for planned development districts.
 - The lighting shall have cut-off fixtures that ensure that lighting levels and glare are controlled such that no light source will be visible from an adjoining property. In all other circumstances, the maximum illumination at a property line or public right of way shall be 5 foot-candles; and where adjoining properties are zoned residential, the maximum illumination at the property line shall be one foot-candle.
- Proposed lighting:
 - West Façade: Uplighting of building, building name and address at canopies; Downlighting from signage band for parking entrances, service entrances, retail entrances.
 - South Façade: Uplighting of building at canopies or where appropriate; Back lighting of address; Downlighting from signage band for pedestrian entrances and retail entrances.
 - East Façade: Uplighting of building; Sconce lighting for egress and safety.
 - North Façade: Sconce lighting for egress and safety.
 - Sconce lighting with cut-off fixture to be provided at balconies at units on each façade.

11. UTILITIES:

- See attached Civil Engineering drawings for Water, Sanitary and storm sewers laterals.
- Electrical service will be located within building or on east side of property with appropriate landscape screening.

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12. SIGNS:

- The building name and address will be incorporated with the canopies.
- The building design has integrated a sign band at the canopy and conforms to the sign type Canopy and Hood Signs. The modular design allows for retail signage to be placed along the band as well as identify parking entrances. The sign background panel will be limited to 25 SF per sign. There may be up to 3 tenants at the retail level requiring one sign per approximately 25 linear feet.
- The reverse/halo aluminum metal channel lettering at address sign on Kilbourn Avenue will be on top of the canopy against the building - size is approximately 6'-0" H X 13'-0" W. The letters will be back lit to provide a glow to the lettering. Garage entrances will have entry signage above the doors; the sign sizes are approximately 2'-0" H X 12'-0" W. See elevation for locations.
- Temporary signs will be installed. Construction signs will be removed within 30 days receipt of certificate of occupancy.
 - One sign pertaining to the construction of the buildings will be provided and not exceed 48 square feet.
 - One sign, not exceeding 36 square feet, advertising the rental of the residential apartment units.

13. SIGN ILLUMINATION

- Tenant signage will be reverse channel backlit individual lettering. The permanent address sign will be illuminated from behind.



VIEW NORTH ON VAN BUREN OF PROPOSED BUILDING

**EXHIBIT A
STATISTICAL SHEET****295-907. Planned Development District (DPD)**

Proposed Mixed-use Development
700 E. Kilbourn Ave and 926 N. Van Buren St.
Proposed Zoning: DPD

2. c-1a: Gross land area
Site: 28,504 SF
2. c-1b: Maximum amount of land covered by principle building
Building footprint: 25,260 SF
2. c-1c: Maximum amount of land devoted to parking, drives, and parking structures.
(Count excludes any covered parking which is included above. Count includes the
pavement within the property line.)
128 SF for Driveway
2. c-1d: Minimum amount of land devoted to landscaped open space, within property lines.
3116 SF for landscaped open space
2. c-1e: Maximum proposed dwelling unit density
127 SF Land/Dwelling Unit
2. c-1f: Proposed number of buildings
One – Mixed-Use apartment building
2. c-1g: Maximum number of dwelling units per building
Apartments: 224 units
2. c-1h: Bedrooms per unit (# Bedrooms/# Units)
 $392 \text{ bedroom} / 224 \text{ total units} = 1.75$, average number of bedrooms per unit.
2. c-1i: Parking spaces provided and ratio per unit
292 spaces inside the parking garage (1.30 spaces per unit)

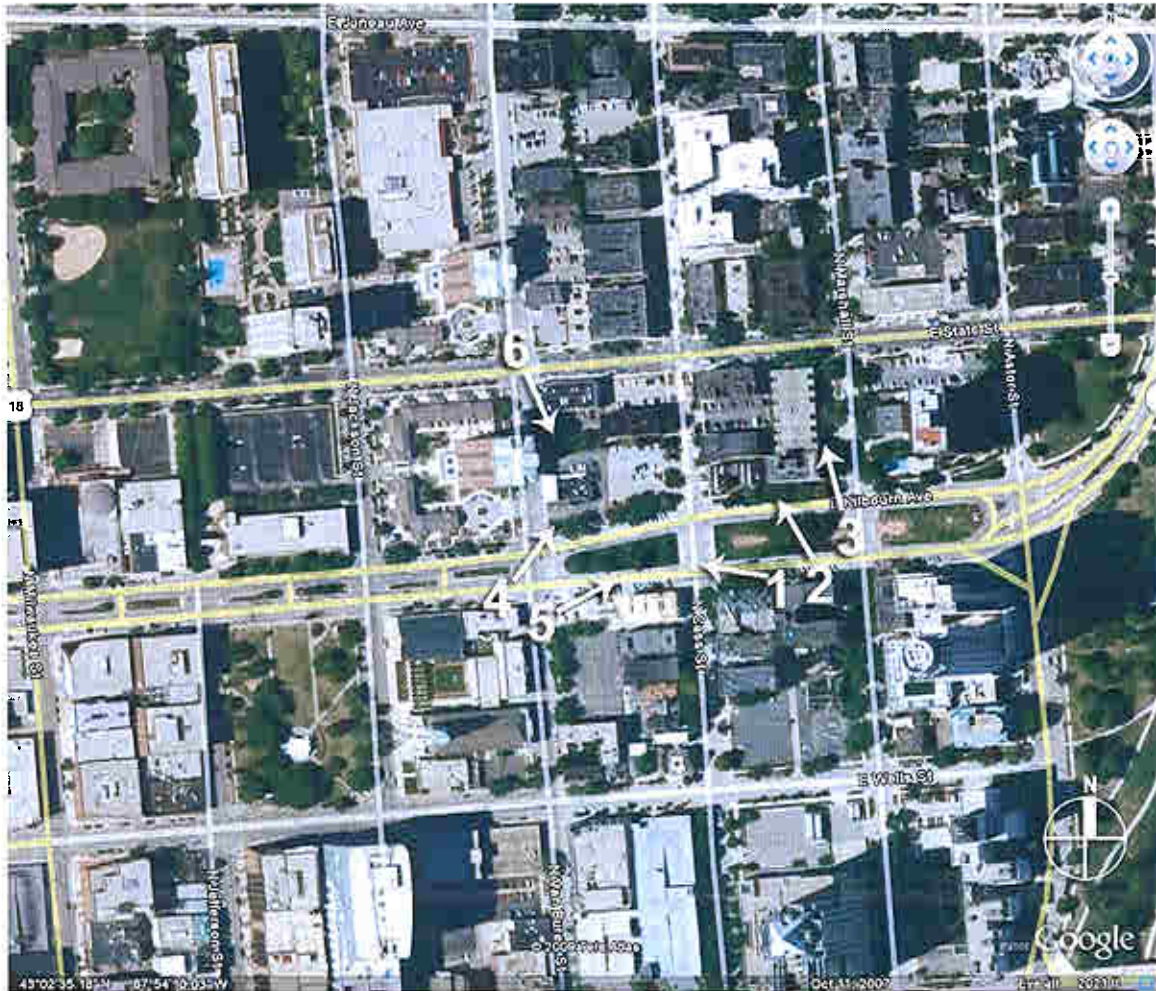
Exhibit B
EXTERIOR LIGHT FIXTURES

- Minimal building lighting will occur at the canopies. Lighting may be attached to canopy structure to light the awnings and canopies.
- At pedestrian entries and egress, exterior exits will be illuminated from concealed fixtures mounted into soffit or wall mounted adjacent to door.
- Wall mounted cut off fixtures will be provided at balconies and terraces.
- At the common terrace level lighting will be provided on trellis structure or at the building face. Low level lighting will be provided at guard rail. Fixtures shall be cut-off.
- Fixture type and fixture cuts will be submitted at a later date for staff review.

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**EXHIBIT C
EXISTING CONTEXT PHOTOS**



KEY VICINITY MAP

517 east menomonee street MILWAUKEE wi 53202 414 763-3673

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1 – VIEW TO WEST ON KILBOURN



2 – VIEW TO SITE EAST OF SUBJECT PROPERTY ON KILBOURN

517 east menomonee street MILWAUKEE wi 53202 414 763-3673

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3 – VIEW OF SUBJECT PROPERT AT BOULEVARD



4 – VIEW OF SUBJECT PROPERTY NEAR INTERSECTION OF KILBOURN & VAN BUREN

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5 – VIEW OF NORTHEAST ON KILBOURN, WEST OF VAN BUREN



6 – VIEW SOUTH ON VAN BUREN OF EXISTING BUILDING TO NORTH

KILBOURN AND VAN BUREN

DETAILED PLAN DEVELOPMENT

FN 081081
EXHIBIT A



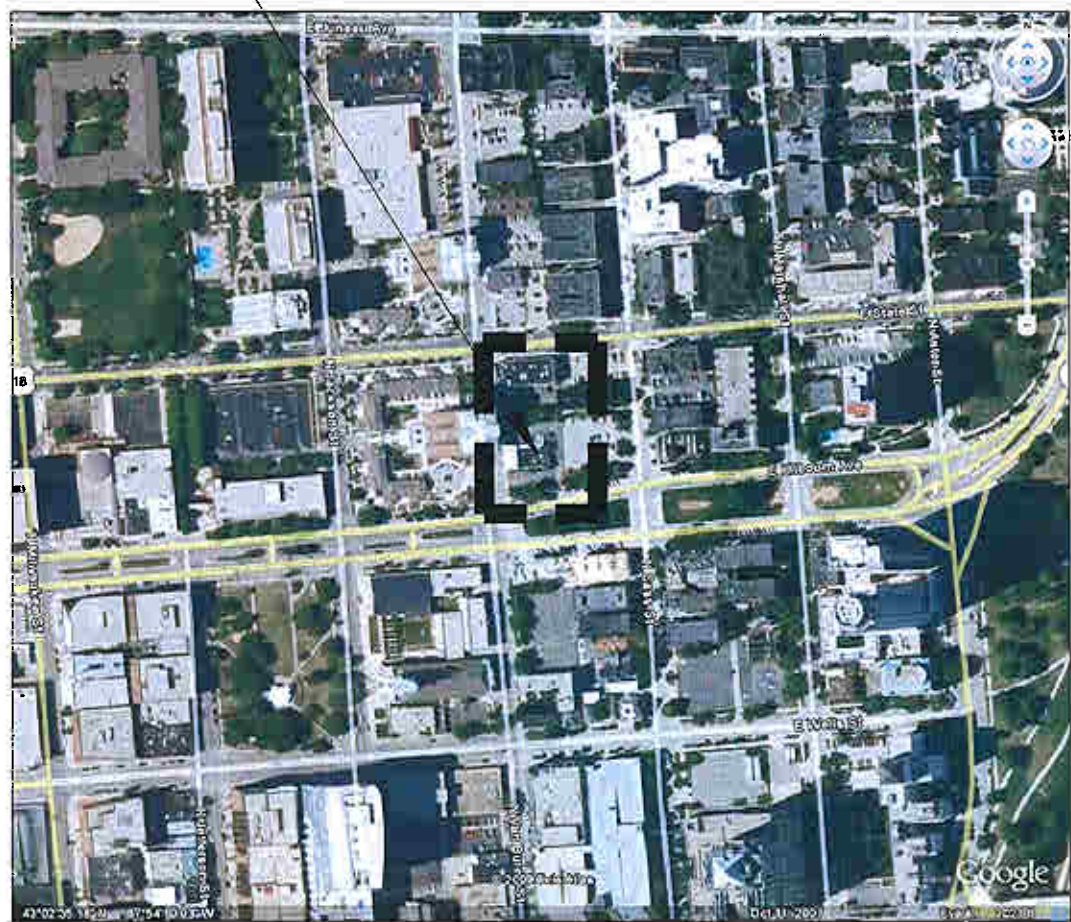
VIEW EAST ON KILBOURN



VIEW NORTH ON VAN BUREN

KILBOURN AND VAN BUREN

PROJECT LOCATION
700 EAST KILBOURN AVENUE
MILWAUKEE, WI 53202



PROJECT AND BUILDING DATA

OVERALL BUILDING:
GROUND FLOOR
24,663 SF
PARKING LEVELS 2-5
24,735 SF PER FLOOR
UNITS LEVELS 6-19
19,383 SF PER FLOOR

OCCUPANCY: R-2, S-2, A-4, B/M/A

ZONING: GPD

CONSTRUCTION: 1B

CONTACT INFORMATION

OWNER
NEW LAND ENTERPRISES
1840 NORTH FARWELL AVENUE
MILWAUKEE, WI 53202
T 414-271-5263
F 414-727-4612

ARCHITECTURE
KINDNESS ARCHITECTURE + PLANNING
517 MENOMONEE STREET
MILWAUKEE, WI 53202
CONTACT: MELISSA RUDOLPH
MRudolph@kindnessa-p.com
(414) 763-3673
FAX (414) 763-3348


SHEET INDEX

T100- TITLE SHEET
EXISTING SITE PLAN
GRADING & EROSION CONTROL PLAN
GRADING AND EROSION CONTROL DETAIL PLAN
UTILITY PLAN
DETAILS
EXISTING PLAT OF SURVEY
PROPOSED PLAT OF SURVEY
A001- SITE PLAN W/ LANDSCAPING
A200- GROUND FLOOR
A201- PARKING LEVEL 2
A202- PARKING LEVEL 3-4
A203- PARKING LEVEL 5
A204- UNIT FLOOR PLANS 6-19
A400- ELEVATIONS
A401- ELEVATIONS

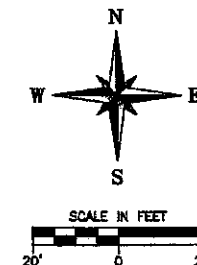
DATE: 10_02_09

SCALE: AS NOTED

T100



KINDNESS
architecture + planning
517e menomonee st. MILWAUKEE wi 53202



REFERENCE BEARING:
THE EAST RIGHT OF WAY LINE OF NORTH VAN BUREN STREET IN
BLOCK 91 OF PARTITION OF LOT 1, TOWN OF MILWAUKEE WAS USED AS
THE REFERENCE BEARING AT NORTH 00°18'00" EAST (ASSUMED).

REFERENCE BENCHMARK:
NW FLANGE BOLT ON HYDRANT LOCATED AT SOUTHWEST CORNER OF
N. VAN BUREN STREET AND EAST KILBOURN AVE. - ELEVATION 64.32
CITY OF MILWAUKEE DATUM. ADD 860.86 TO CONVERT TO USGS DATUM.

LEGAL DESCRIPTION:
Lots 9, 10, 11 and the South 3.00 feet of Lot 12 in Block 91 in the plat of
PARTITION OF LOT 1 TOWN OF MILWAUKEE in the NW 1/4 of Section 28,
Town 7 North, Range 22 East, City of Milwaukee, Milwaukee County, Wisconsin,
together with that part of Lot 8 in Block 91 which is bounded and described as
follows: Beginning at the northeast corner of said Lot 8; thence South along the
east line of Lot 8 aforesaid 30.13 feet, to a point on the northerly line of East
Kilbourn Avenue; thence Southwesterly along the northerly line of East Kilbourn
Avenue 129.62 feet (128.42 feet surveyed) to a point on the east line of North
Van Buren Street; thence north along the east line of North Van Buren Street
48.46 feet to the northwest corner of said Lot 8; thence East along the North line
of Lot 8 aforesaid 128.21 feet (128.19 feet surveyed) to the point of beginning.
Containing a net area of 28,504 square feet or 0.6543 acres of land.

LEGEND:

- ⊕ MONITORING WELL
- + CHISELED CROSS - 5' OFFSET TO BLOCK CORNER
- ⊗ CATCH BASIN
- ⊙ SANITARY MANHOLE
- ⊙ ELECTRIC MANHOLE
- ⊙ WATER MANHOLE
- ⊙ UNKNOWN MANHOLE
- ⊙ PARKING METER
- ⊕ SOIL BORING
- ⊙ LIGHT POLE
- ⊙ TRAFFIC SIGNAL POLE
- ⊕ POWER POLE WITH LIGHT
- ⊙ MAILBOX
- ⊕ UNDERGROUND WATER VALVE
- ⊙ UNDERGROUND GAS VALVE
- ⊙ ELECTRIC METER
- ⊙ ELECTRICAL PEDESTAL
- ⊙ TELEVISION PEDESTAL
- ⊙ SIGN
- ⊙ IRON PIPE FOUND

STATE OF WISCONSIN) ss
COUNTY OF WAUKESHA)
We, Jahnke & Jahnke Associates, Inc., do hereby certify that we have made this survey and that the information as shown on the
above Plan is a true and correct representation thereof.

JAHNKE & JAHNKE ASSOCIATES, INC.
REGISTERED PROFESSIONAL ENGINEERS
DATE: 2ND DAY OF SEPTEMBER, 2000
BY: [Signature]

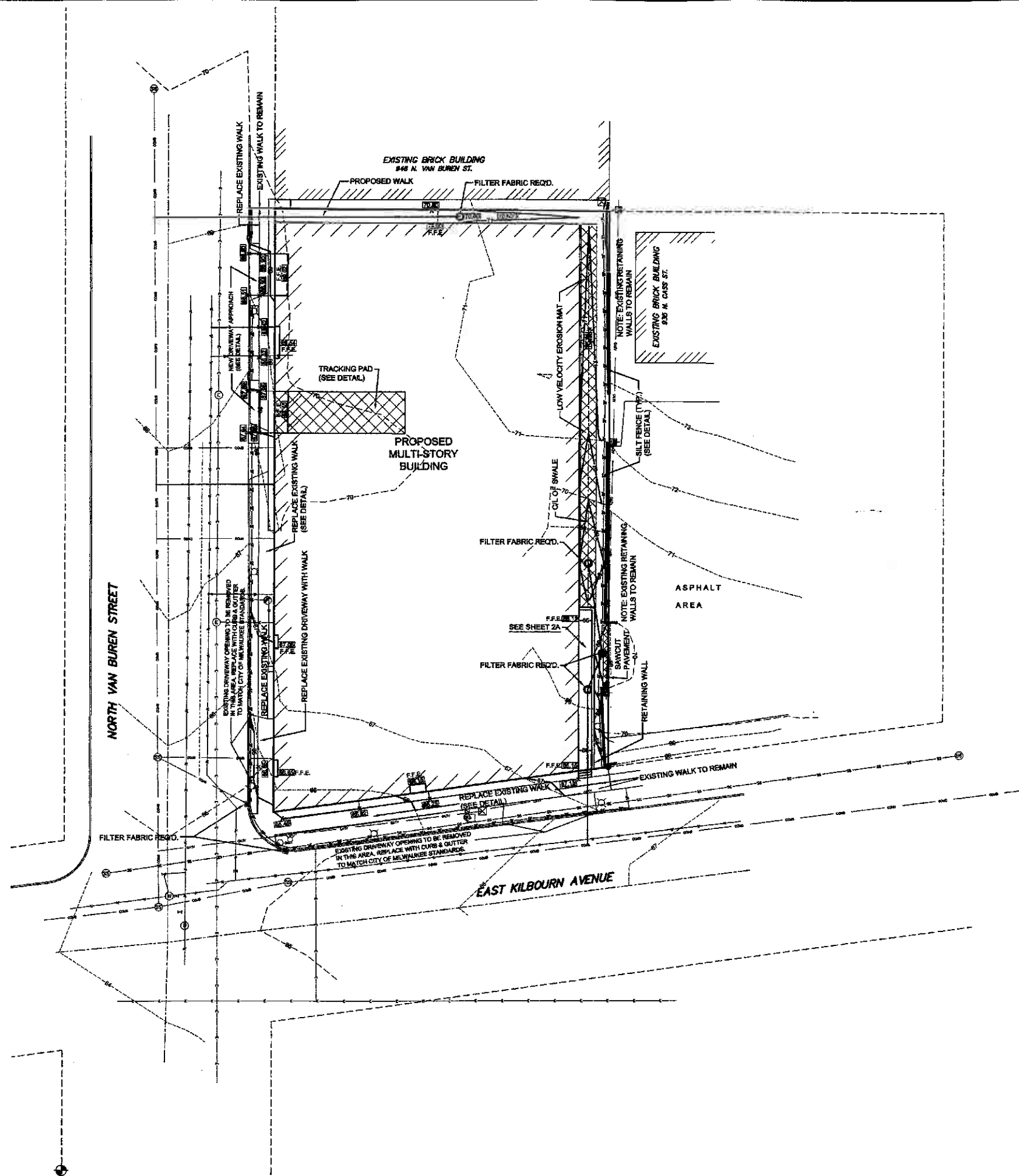
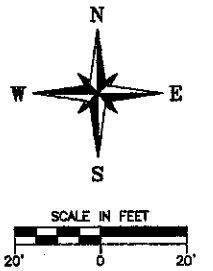
NOTE:
NO TITLE POLICY WAS PROVIDED TO OUR OFFICE BY THE CLIENT
THEREFORE THE COMPLETENESS OF EASEMENTS CANNOT BE
GUARANTEED AT THIS TIME.

RE: BOOKENZ II

EXISTING SITE PLAN
FOR: NEW LAND ENTERPRISES
PART OF NW 1/4 SEC. 28, T7N, R22E
CITY OF MILWAUKEE, MILWAUKEE CO. WI.

JAHNKE & JAHNKE ASSOCIATES, INC.
PLANNERS & PROFESSIONAL ENGINEERS
711 W. MORELAND BLVD. - WAUKESHA, WI 53188
TEL. (262) 542-5797 FAX (262) 542-7908

SCALE: 1" = 20' DATE: 9/2/2000
DRAWN BY: B.S./M.W. CHECKED BY: H.D.H. FILE NO.: MILWAUKEE 808
BOOK NO.: MLW 91 JOB: 57563 SHEET 1 OF 5



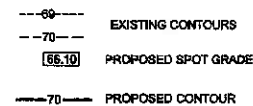
- LEGEND:
- 69 --- EXISTING CONTOURS
 - 70 --- EXISTING CONTOURS
 - x 88.22 PROPOSED SPOT GRADE
 - 70 — PROPOSED CONTOUR
 - — — SILT FENCE



RE: BOOKENZ II			
GRADING & EROSION CONTROL PLAN			
FOR: NEW LAND ENTERPRISES			
PART OF NW 1/4 SEC. 28, T7N, R22E			
CITY OF MILWAUKEE, MILWAUKEE CO. WI.			
JAHNKE & JAHNKE ASSOCIATES INC.			
PLANNERS & PROFESSIONAL ENGINEERS			
711 W. MORELAND BLVD. - WALKER, WI 53188			
TEL. (262) 542-5797 FAX (262) 542-7698			
SCALE: 1" = 20'	DATE: 9/2/2000		
DRAWN BY: B.S./W.W.	CHECKED BY: H.D.H.	FILE NO.: MILWAUKEE 806	
BOOK NO.: MILW 01	JOB: S7563	SHEET 2	OF 5

REVISED: 8/30/2000
REVISED: 8/28/2000

FILE NAME: S:\projects\57563.dwg\57563.dwg



**PROPOSED
MULTI-STORY
BUILDING**

ASPHALT
AREA



RE: BOOKENZ II
GRADING & EROSION CONTROL PLAN
FOR: NEW LAND ENTERPRISES
PART OF NW.1/4 SEC.28, T7N, R22E
CITY OF MILWAUKEE, MILWAUKEE CO. WI.

JAHNKE & JAHNKE ASSOCIATES INC.

PLANNERS & PROFESSIONAL ENGINEERS
711 W. MORELAND BLVD.—WALKESHA, W. 53182
TEL. No. (262) 542-5787 FAX (262) 542-7611

SCALE: 1" = 10'	DATE: 9/28/2009
DRAWN BY: B.S./W.W. CHECKED BY: H.D.H.	FILE NO.: MILWAUKEE RD
BOOK NO.: MILW 91	JOB: 57663
	SHEET 2A

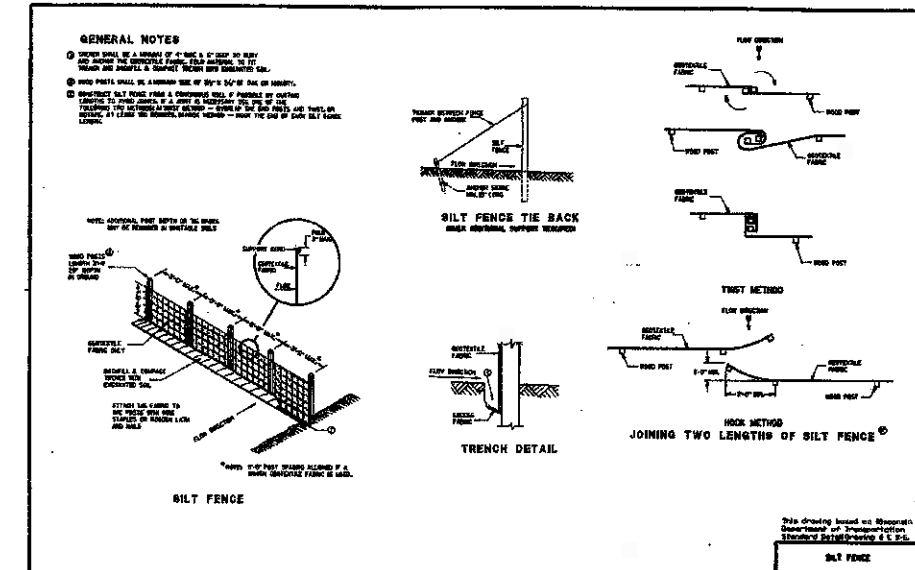
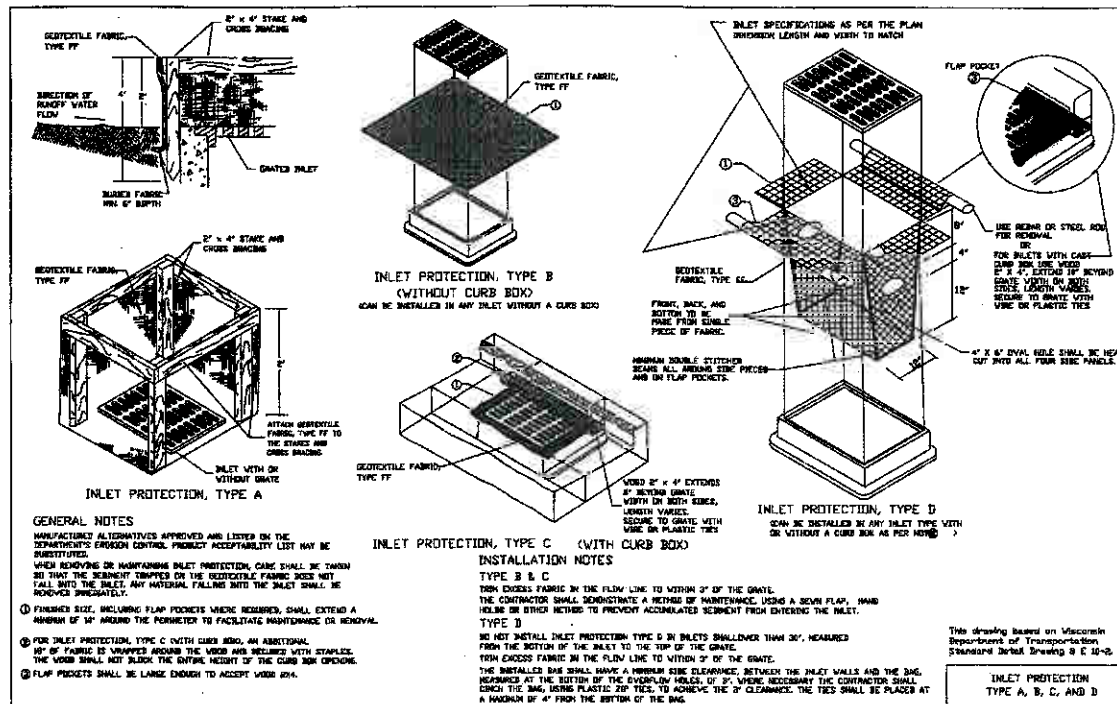
REMOVED: 9/30/2006

DR: FINE:

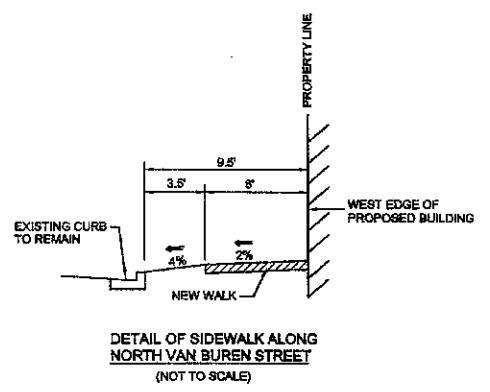
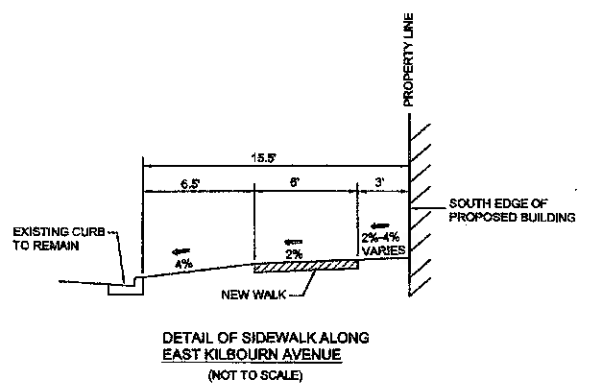
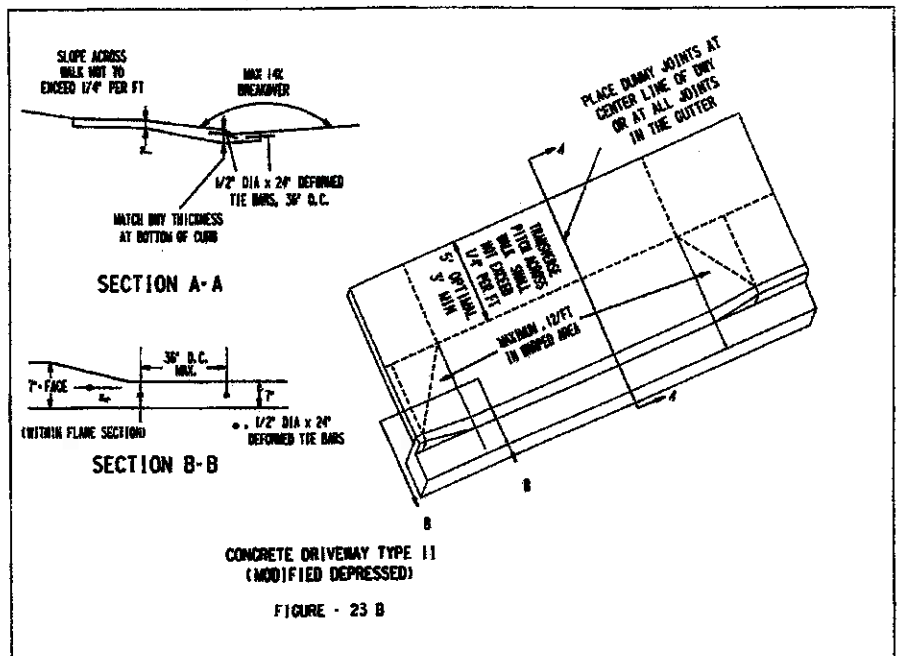
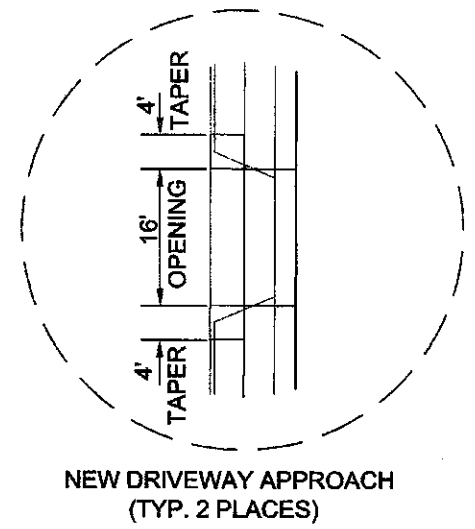
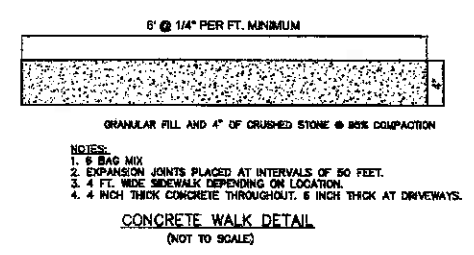
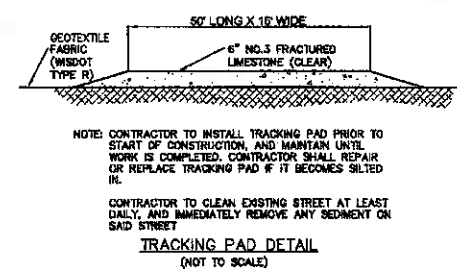
FILE NO.: MILWAUKEE	SHEET 24
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2

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- NOTES:**
1. All construction practices to comply with the City of Milwaukee and the Wisconsin DNR Construction and Technical Standards.
 2. All disturbed areas are to be topsoiled (4" thick), seeded, fertilized and mulched.
 3. All construction traffic is to enter/exit the site over the tracking pads. All public streets are to be kept clean at all times.
 4. Upon site stabilization, contractor shall remove and dispose of all silt fence.
 5. The seed mixture shall be 65% Kentucky Bluegrass, 20% Fine Fescue, 15% Perennial Ryegrass at the rate of 3-4 lbs/1000 sq. ft. up to September 15. Areas seeded between Sept. 15 and October 15 shall be seeded with winter wheat at a rate of 3 lbs/1000 sq. ft. Permanent seed shall then be placed prior to October 15 shall be seeded with dormant seed after November 1. Areas of disturbance not having sufficient vegetative growth by November 15 shall be stabilized with Type B polyacrylamide from DOT pol list.
 6. Fertilize soil with 10 lbs/1000 sq. ft. of 20-10-10 fertilizer.
 7. Temporary stabilization is required for any area left inactive for 7 days.

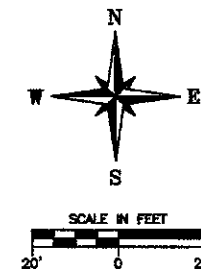


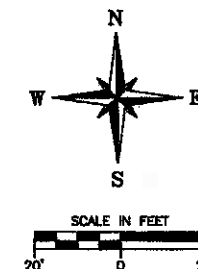
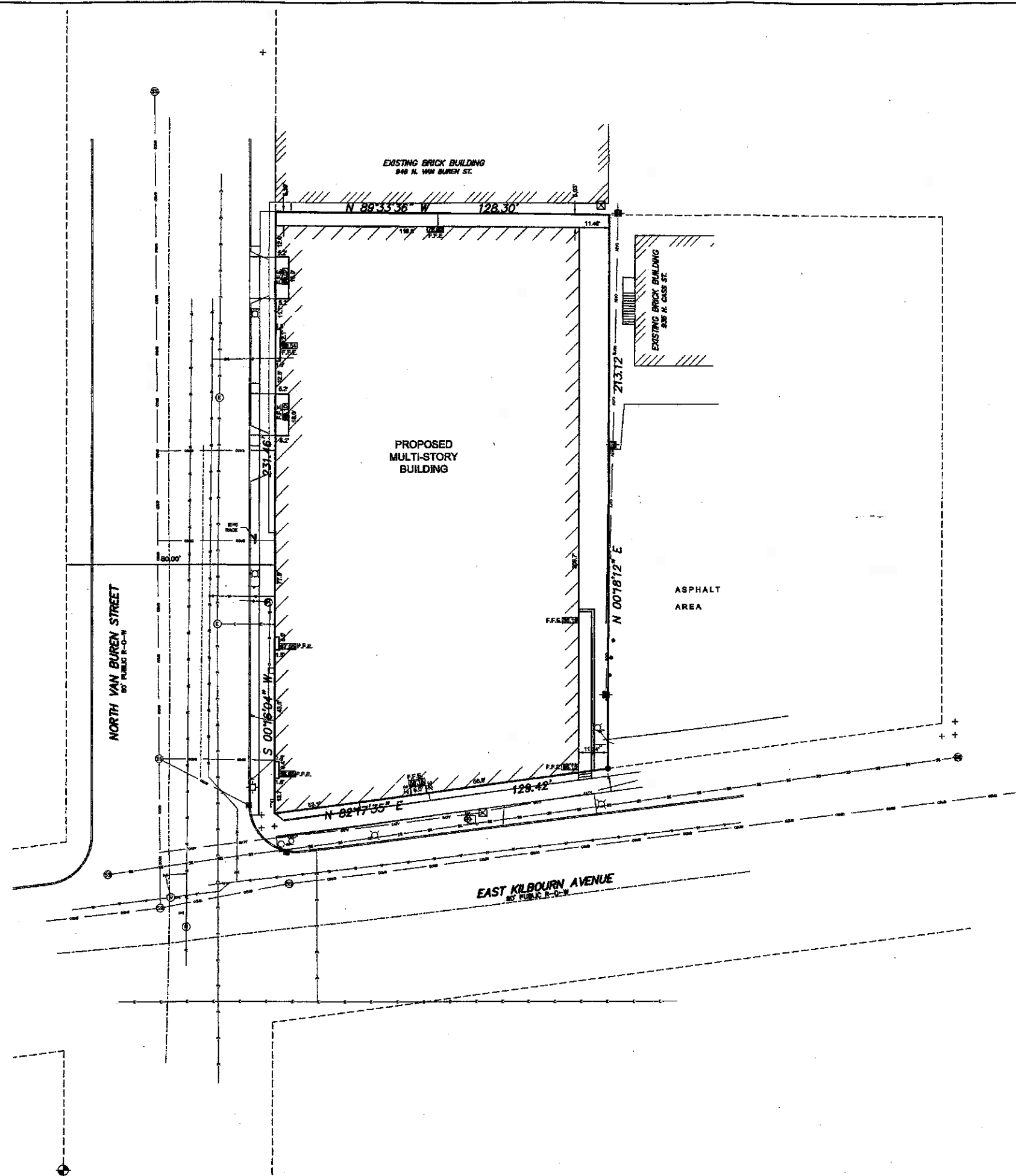
RE: BOOKENZ II

DETAILS
FOR: NEW LAND ENTERPRISES
PART OF NW 1/4 SEC. 28, T7N, R22E
CITY OF MILWAUKEE, MILWAUKEE CO. WI.

JAHNKE & JAHNKE ASSOCIATES INC.
PLANNERS & PROFESSIONAL ENGINEERS
711 W. MORELAND BLVD., WAUKESHA, WI 53188
TEL (262) 542-5797 FAX (262) 542-7898

SCALE: NONE DATE: 8/26/2008
DRAWN BY: M.W. CHECKED BY: H.D.H. FILE NO.: M.W. 908
BOOK NO.: MILW. 91 JOB: S-7963 SHEET 4 OF 5

[illegible]



REFERENCE BEARING:
THE EAST RIGHT OF WAY LINE OF NORTH VAN BUREN STREET IN BLOCK 91 OF PARTITION OF LOT 1, TOWN OF MILWAUKEE WAS USED AS THE REFERENCE BEARING AT NORTH $00^{\circ}16'05''$ EAST (ASSUMED).

REFERENCE BENCHMARK:
NW FLANGE BOLT ON HYDRANT LOCATED AT SOUTHWEST CORNER OF N. VAN BUREN STREET AND EAST KILBOURN AVE. - ELEVATION 84.32 CITY OF MILWAUKEE DATUM.

LEGAL DESCRIPTION:
Lots 9, 10, 11 and the South 3.00 feet of Lot 12 in Block 91 in the plat of PARTITION OF LOT 1 TOWN OF MILWAUKEE in the NW 1/4 of Section 28, Town 7 North, Range 22 East, City of Milwaukee, Milwaukee County, Wisconsin, together with that part of Lot 8 in Block 91 which is bounded and described as follows: Beginning at the northeast corner of said Lot 8; thence South along the east line of Lot 8 aforesaid 90.13 feet, to a point on the northerly line of East Kilbourn Avenue; thence Southwesterly along the northerly line of East Kilbourn Avenue 128.32 feet (128.42 feet surveyed) to a point on the east line of North Van Buren Street; thence north along the east line of North Van Buren Street 48.46 feet to the northwest corner of said Lot 8; thence East along the North line of Lot 8 aforesaid 128.21 feet (128.10 feet surveyed) to the point of beginning. Containing a net area of 28,804 square feet or 0.6543 acres of land.

STATE OF WISCONSIN
COUNTY OF WALKESHA
We, Jahnke & Jahnke Associates, Inc., do hereby certify that we have made this survey and that the information as shown on the above Plat is true and correct representation thereof.

DATE: 8/28/2008
REVISION: 8/28/2008
REVISION: 8/28/2008

NOTE:
NO TITLE POLICY WAS PROVIDED TO OUR OFFICE BY THE CLIENT THEREFORE THE COMPLETENESS OF EASEMENTS CANNOT BE GUARANTEED AT THIS TIME.

RE: BOOKENZ II

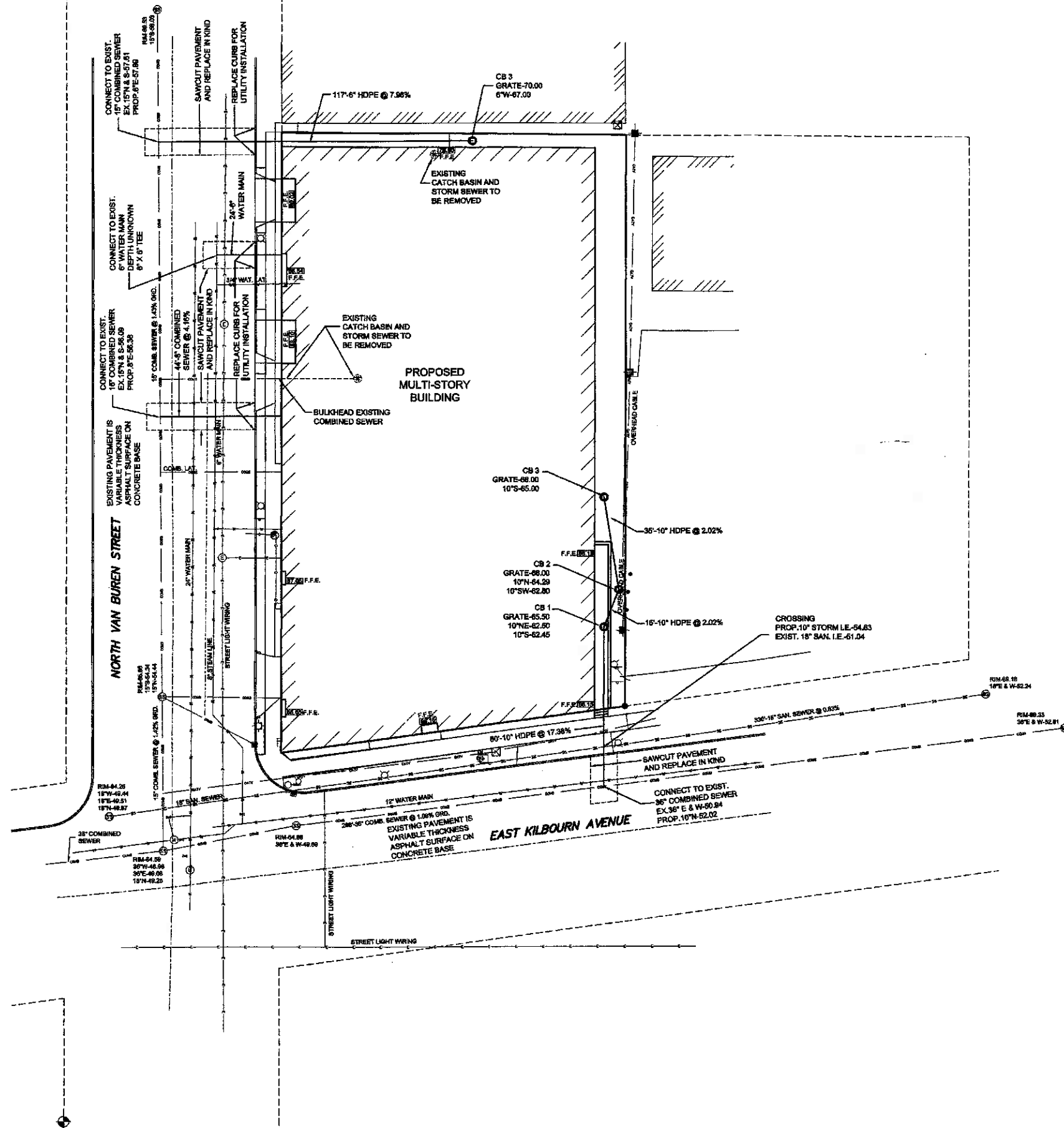
PLAT OF SURVEY
FOR: NEW LAND ENTERPRISES
PART OF NW 1/4 SEC. 28, T7N, R22E
CITY OF MILWAUKEE, MILWAUKEE CO. WI.

JAHNKE & JAHNKE ASSOCIATES INC.

PLANNERS & PROFESSIONAL ENGINEERS
711 N. MORELAND BLVD. - WALKESHA, WI 53090
TEL: (262) 542-5787 FAX: (262) 542-7898

REVISION: 8/30/2008
REVISION: 8/28/2008
SCALE: 1" = 20'
DRAWN BY: B.S./W.W. CHECKED BY: H.D.H. FILE NO: MILWAUKEE 808
BOOK NO: MILWAUKEE 81 JOB: 57563 SHEET 5A OF 5

FILE NAME: S:\projects\57563\dwg\57563.dwg



UTILITY NOTES:

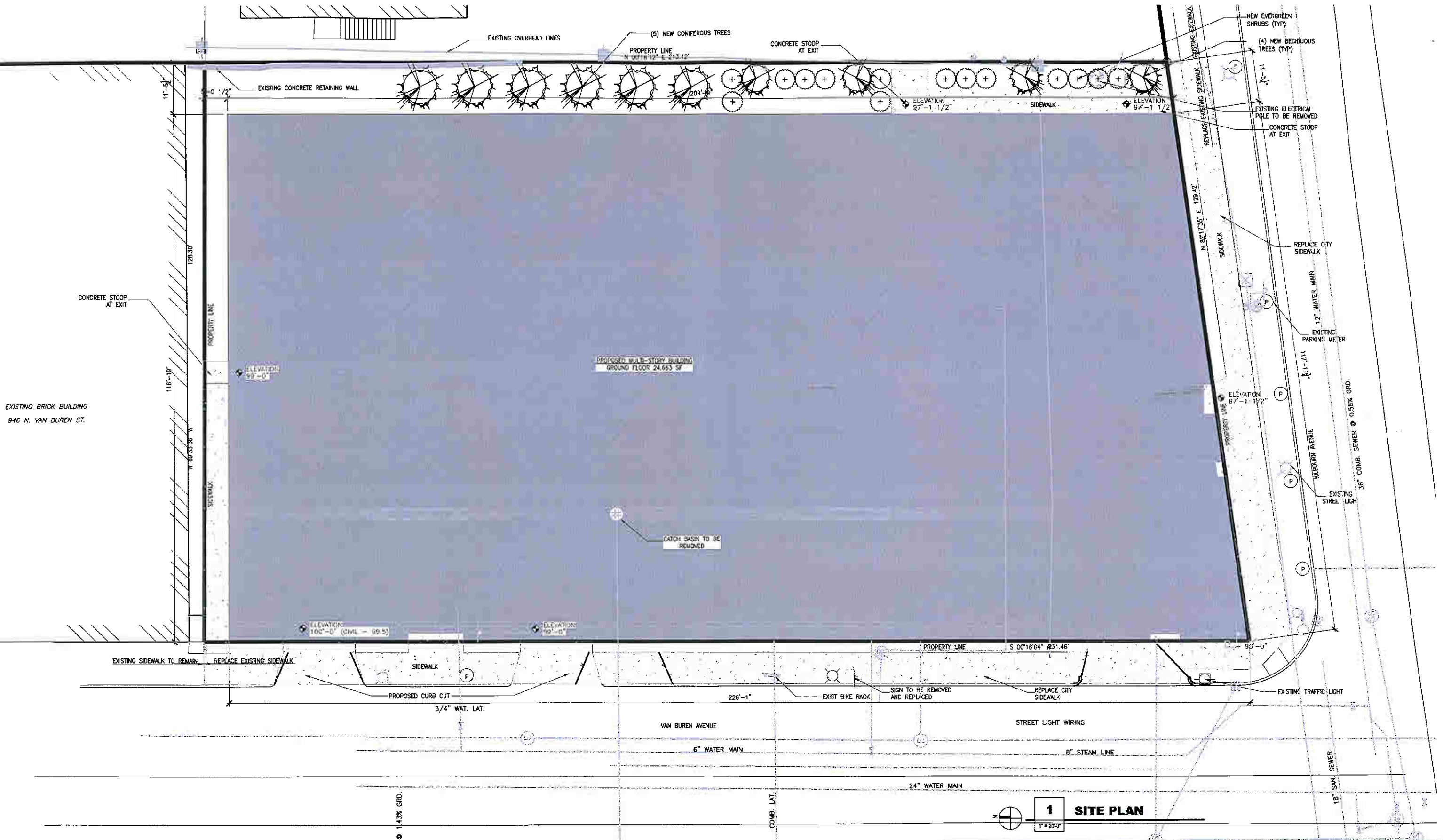
1. THE STORM SEWER MATERIAL SHALL BE ADS N-12 WITH WATER TIGHT JOINTS.
2. ALL UNDERGROUND EXTERIOR NON-METALLIC SEWERMAINS AND WATER SERVICES/MAINS MUST BE PROVIDED WITH TRACER WIRE IN ACCORD WITH 182.0715(2) OF THE STATUTES. TRACER WIRE SPECIFICATIONS BELOW:
 - a) 12 GAUGE SOLID COPPER WIRE WITH A PLASTIC COATING.
 - b) TRACER WIRE SHALL BE TAPED TO THE TOP OF PLASTIC WATER OR SEWER PIPE
 - c) TRACER WIRE SHALL BE TAPED EVERY 6 TO 20 FEET AND AT ALL BENDS
 - d) TRACER WIRE SHALL HAVE AN ACCESS POINT AT A MINIMUM OF EVERY 300 FEET. AT ACCESS POINT THE TRACER WIRE IS BROUGHT UP TO THE GRADE IN VALVE BOXES, CLEANOUTS, MANHOLES, CATCH BASINS, INLETS, OR OTHER COVERED ACCESS DEVICES. WHEN RUNNING TRACER WIRE UP AT THE CURB STOPS, PUT THE WIRE ON THE OUTSIDE OF THE BOX, SO THAT THE TRACER WIRE DOESN'T GET TANGLED OR TURN WHEN THE VALVE IS TURNED.
 - e) SPLICES IN TRACER WIRE SHOULD BE MADE WITH SPLIT BOLT OR COMPRESSION TYPE CONNECTORS. WIRE NUTS SHALL NOT BE USED. A WATER PROOF CONNECTION IS NECESSARY TO PREVENT CORROSION.
 - f) THE TRACER WIRE SHALL BE TESTED AFTER INSTALLATION TO ENSURE IT IS WORKING.
3. FILTER FABRIC SHALL BE INSTALLED UNDER THE GRATES OF ALL STRUCTURES DURING CONSTRUCTION. CONTRACTOR SHALL CLEAN THE STORM SEWERS, INLETS, AND CATCH BASINS AFTER CONSTRUCTION.
4. THE STORM SEWERS SHALL CONFORM TO THE CONSTRUCTION REQUIREMENTS AND DIMENSIONS OF THE CITY OF MILWAUKEE PLUMBING CODE.
5. THE WATER MAIN AND WATER SERVICE MATERIAL SHALL BE PVC AWWA C-900, CLASS 200, DR-14 WITH PUSH-ON TYPE INTEGRAL ELASTOMERIC BELL-SPOUT JOINTS.
6. WATER VALVES SHALL BE GATE VALVES CONFORMING TO AWWA C-509-94. NON-RISING STEMS SEALED WITH TWO O-RINGS, MJ ENDS, TURN LEFT (COUNTER CLOCKWISE) TO OPEN, 2" SQUARE OPERATING NUT. ALL EXPOSED AND NON-EPOXY COATED BOLTS AND NUTS SHALL BE STAINLESS STEEL; T-BOLTS SHALL BE COR-BLUE OR HAVE FLUOROPOLYMER COATING. ALL VALVES SHALL BE FURNISHED WITH INTERIOR AND EXTERIOR EPOXY COATINGS PER AWWA C-550-90. VALVES SHALL BE INSTALLED PER FILE NO. 37 OF THE WISCONSIN STANDARD SPECIFICATIONS AND SHALL BE WRAPPED WITH POLYETHYLENE PER CHAPTER 8.21.0 OF THE WISCONSIN STANDARD SPECIFICATIONS.
7. VALVE BOXES SHALL BE CAST IRON.
8. CATCH BASIN 1 (IN WALK) SHALL HAVE A GRATE SUITABLE FOR PEDESTRIAN TRAFFIC (I.E. NARROW OPENINGS).



RE: BOOKENZ II			
UTILITY PLAN			
FOR: NEW LAND ENTERPRISES			
PART OF NW 1/4 SEC. 28, T7N, R22E			
CITY OF MILWAUKEE, MILWAUKEE CO. WI.			
JAHNKE & JAHNKE ASSOCIATES INC.			
PLANNERS & PROFESSIONAL ENGINEERS			
711 W. MORELAND BLVD. - WALKER, WI 53188			
TEL: (262) 542-5787 FAX: (262) 542-7686			
SCALE: 1" = 20'	DATE: 8/2/2009		
DRAWN BY: B.S./K.W.	CHECKED BY: H.D.H.	FILE NO.: MILWAUKEE 808	
BOOK NO.: MLW 81	JOB: S7563	SHEET 3	OF 5

REVISED: 9/30/2008
REVISED: 9/28/2009

FILE NAME: S:\projects\S7563.dwg\S7563.dwg



KILBOURN AND VAN BUREN

DATE: 10_02_09

SCALE: AS NOTED

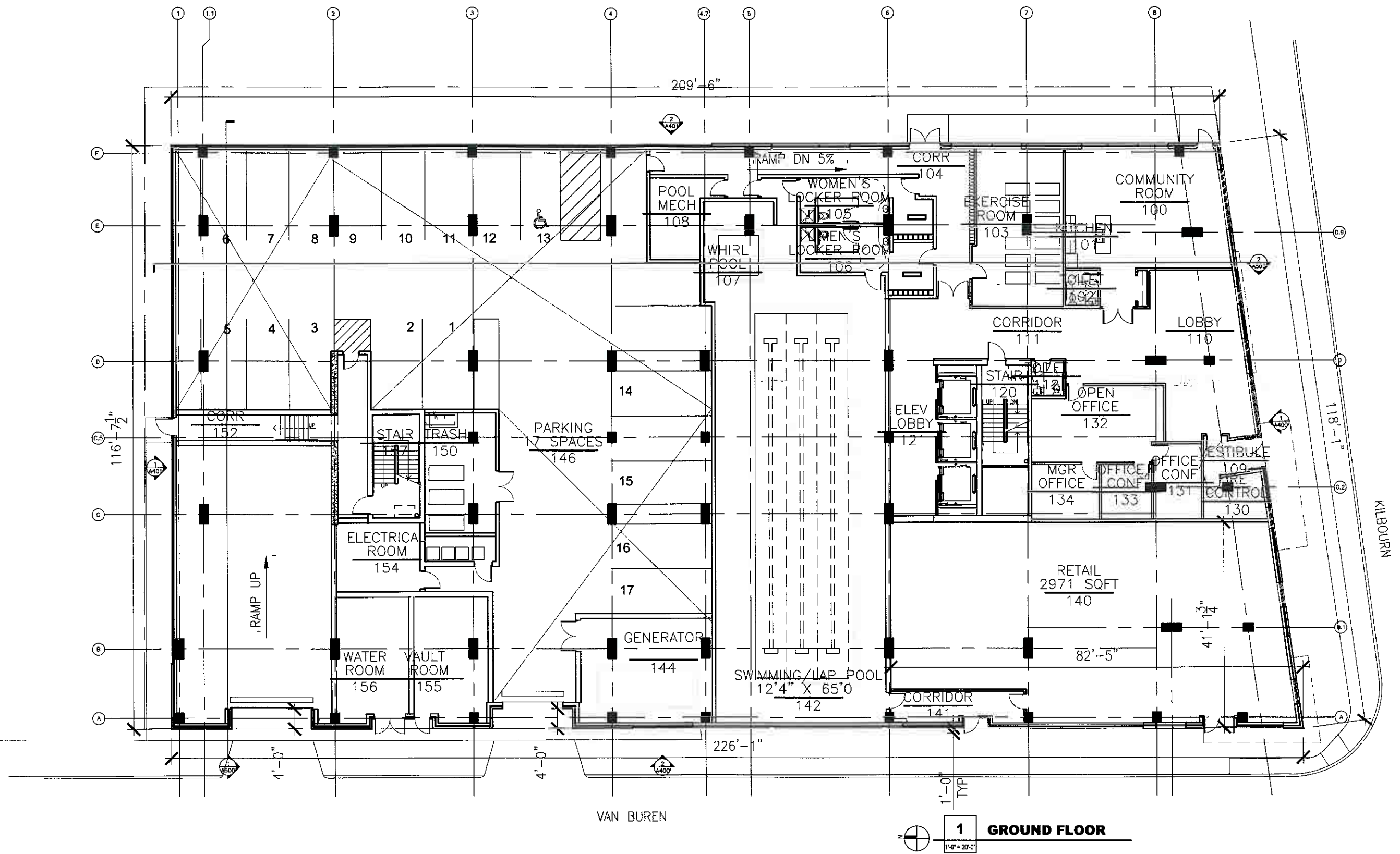
A001



KINDNESS

architecture + planning

517e menomonee st. MILWAUKEE wi 53202

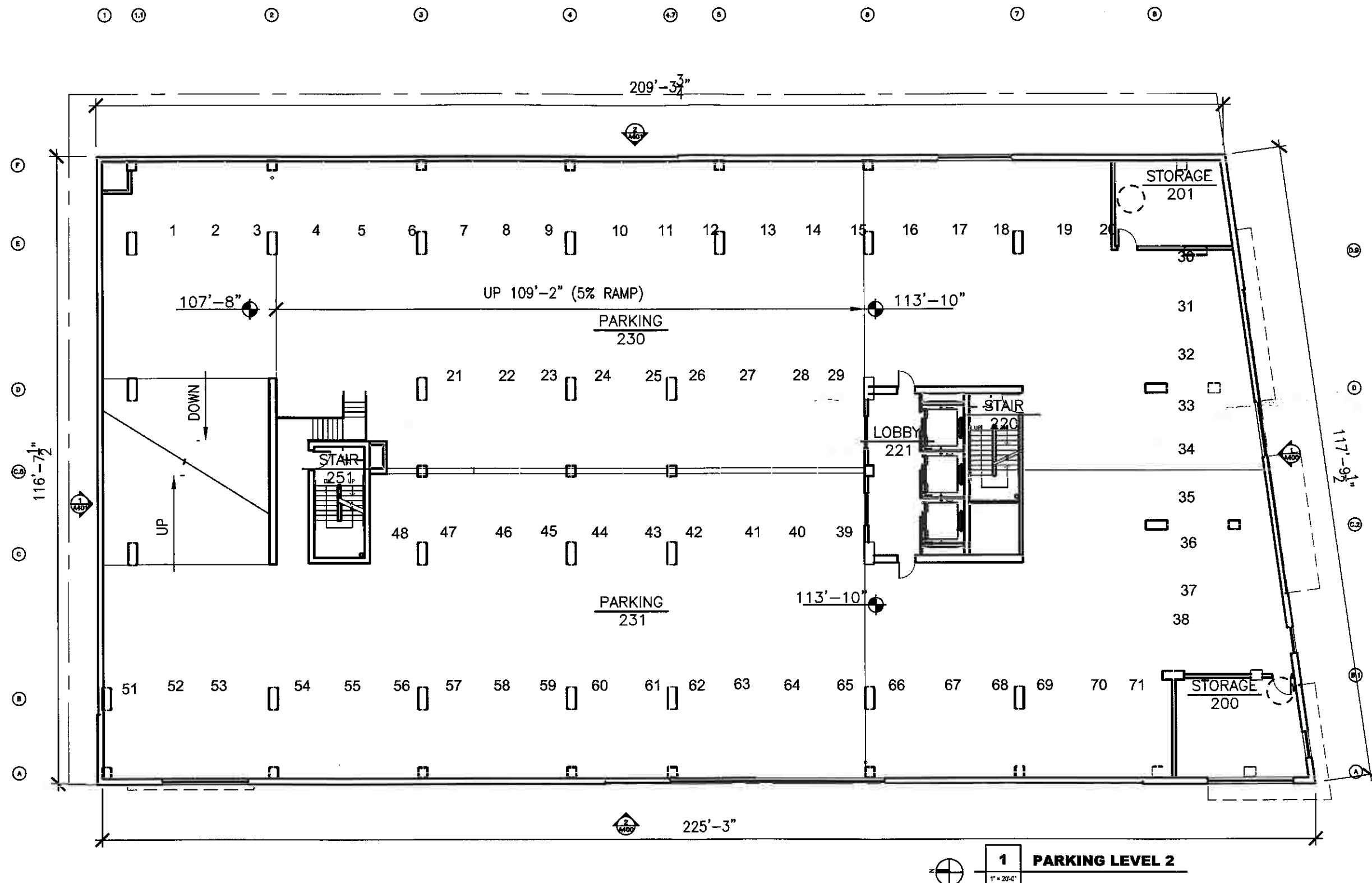


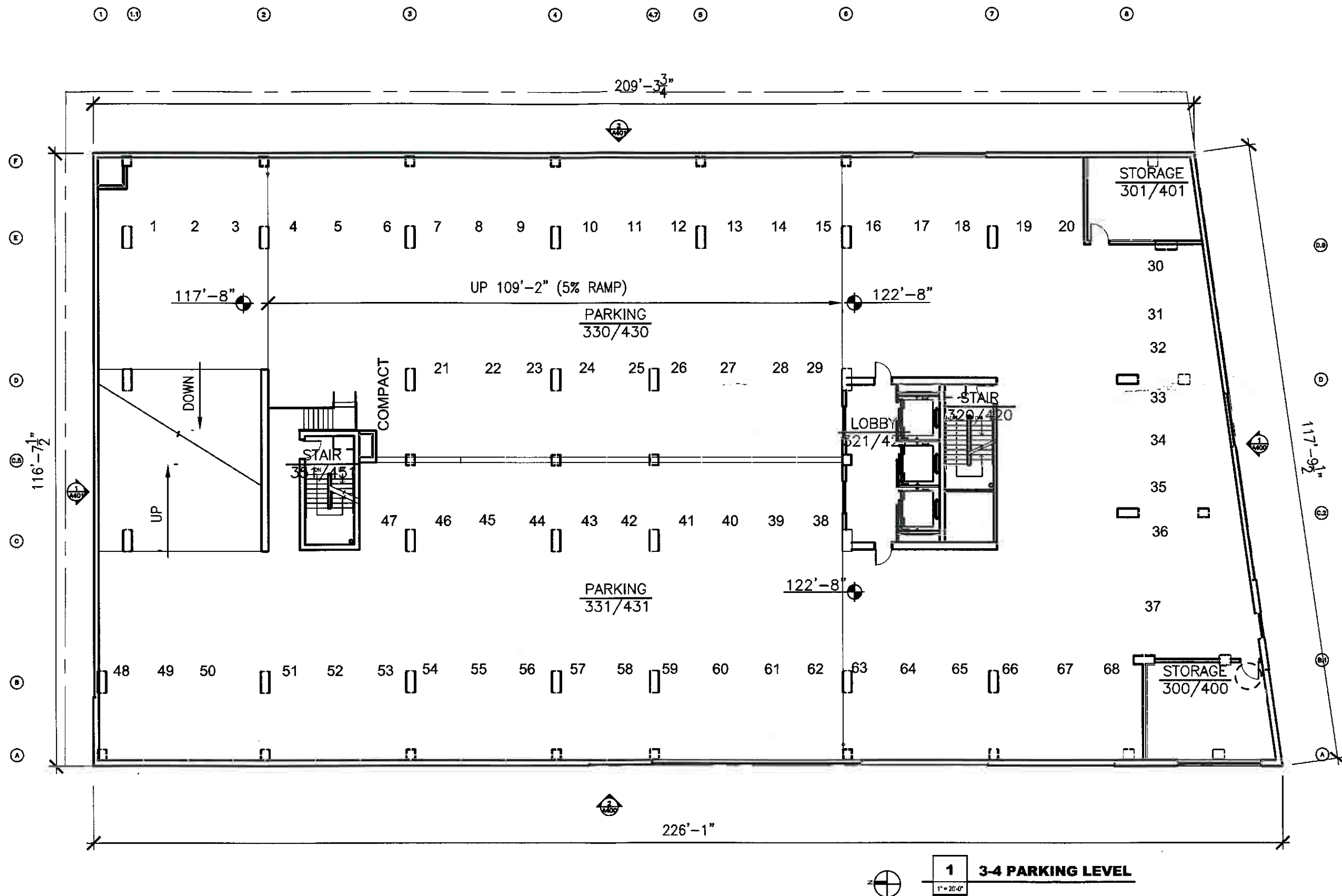
KILBOURN AND VAN BUREN

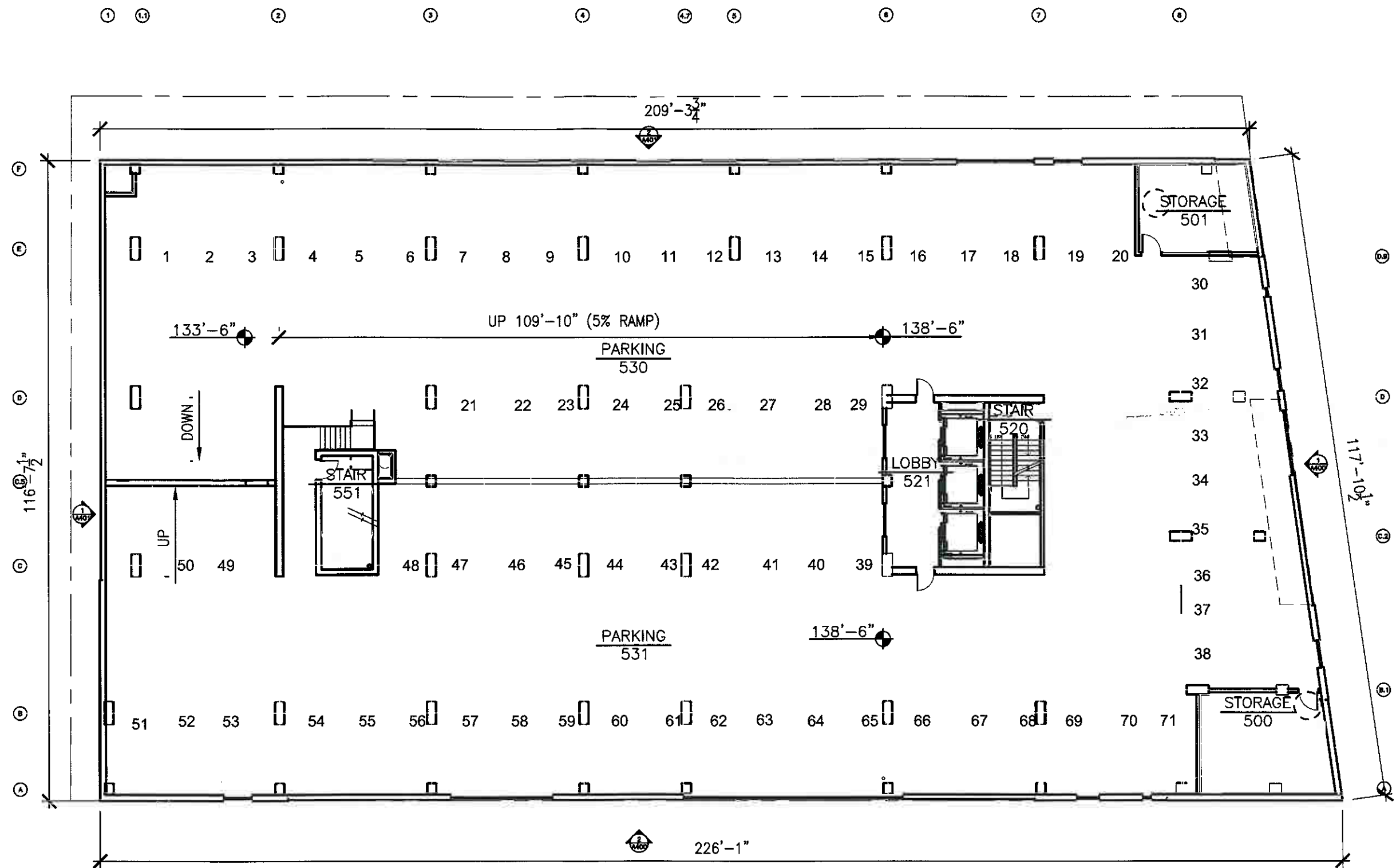
DATE: 10_02_09

SCALE: AS NOTED

A200







1 PARKING LEVEL 5
1" = 20'-0"

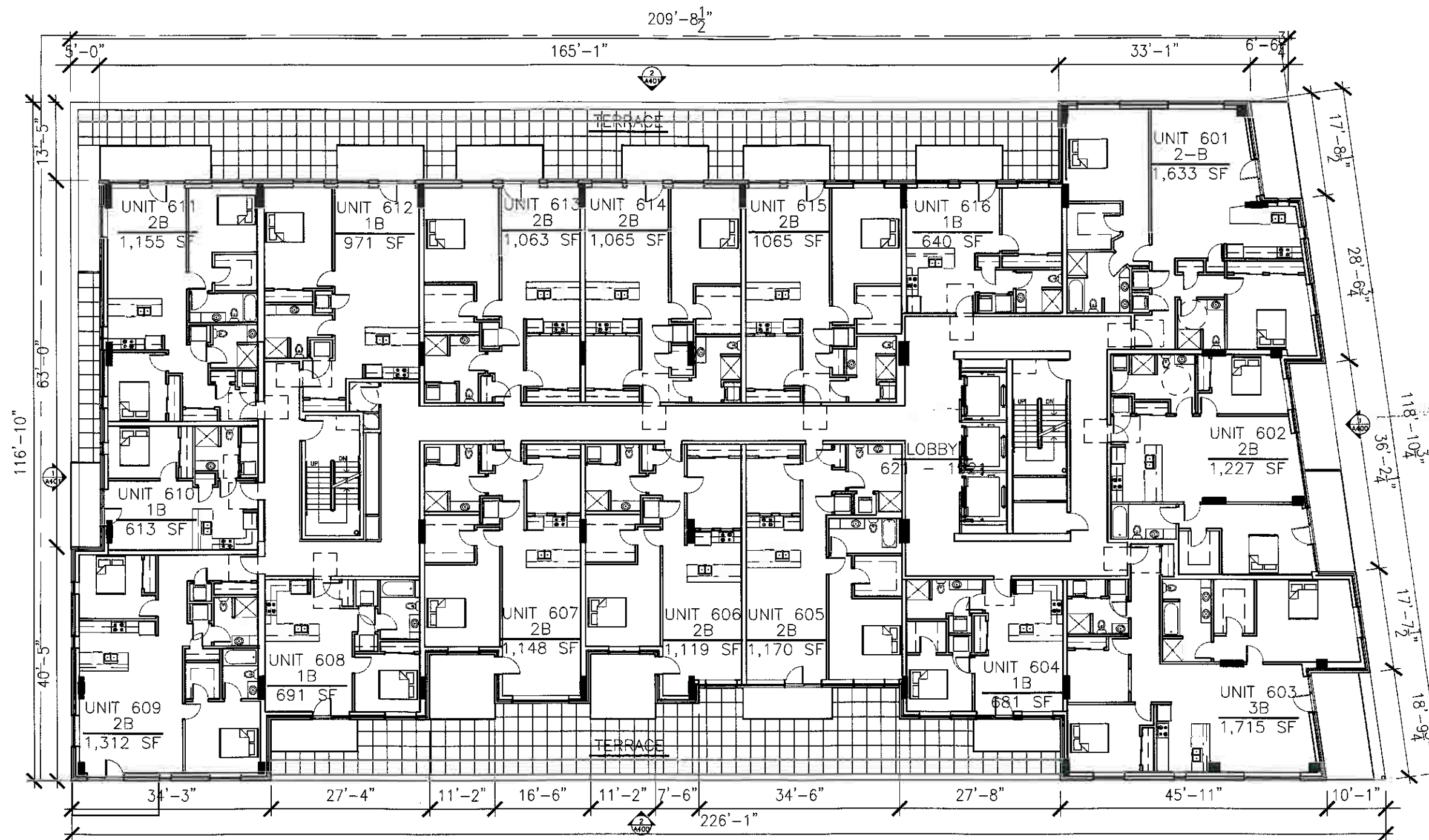
KILBOURN AND VAN BUREN

DATE: 10_02_09

SCALE: AS NOTED

A203

KINDNESS
architecture + planning
NEW LAND CONSTRUCTION
517 e menomonee st. MILWAUKEE wi 53202



UNIT MIX

#	TYPE	SF RANGE
5	1 BED	613 - 971 SF
10	2 BED	957 - 1,633 SF
1	3 BED	1,715 SF
16 TOTAL UNITS/FLOOR		
X14 FLOORS		
224 UNITS		

1 UNIT PLANS FLOORS 6 - 19
1" = 20'-0"

KILBOURN AND VAN BUREN

DATE: 10_02_09

SCALE: AS NOTED

A204

KINDNESS
architecture + planning
NEW LAND CONSTRUCTION
517 e menomonee st. MILWAUKEE WI 53202

ELEVATIONS NOT CURRENT
(SEE 'SUPPLEMENTAL INFO')



KILBOURN AND VAN BUREN

DATE: 10_02_09

SCALE: AS NOTED

A400

KINDNESS
architecture + planning
517 e menomonee st. MILWAUKEE wi 53202

ELEVATIONS NOT CURRENT
(SEE 'SUPPLEMENTAL INFO')



KILBOURN AND VAN BUREN

DATE: 10_02_09

SCALE: AS NOTED

A401

KINDNESS

architecture + planning

October 16, 2009

To: Design Review Team

From: Kilbourn – Van Buren Development Team

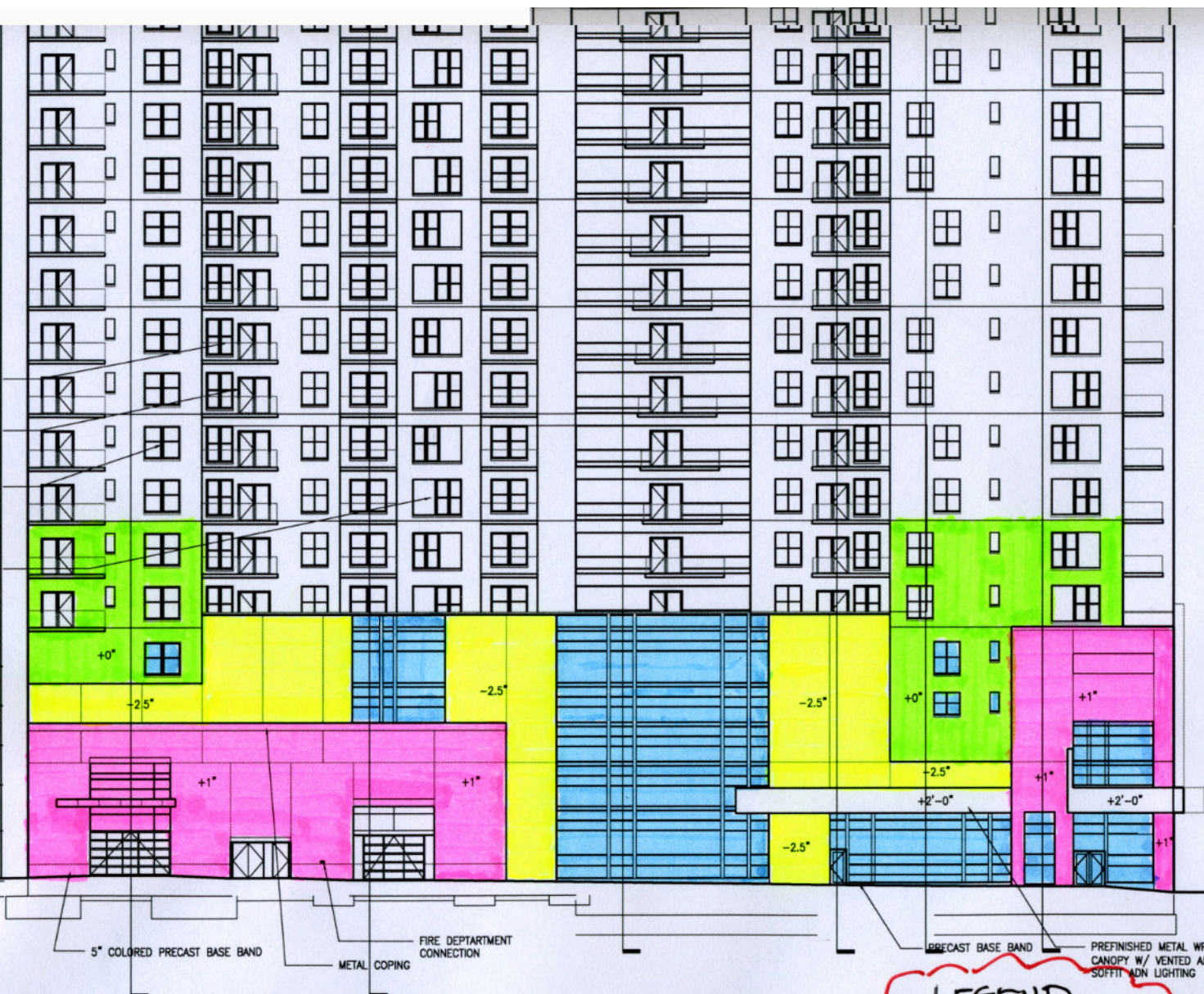
Re: Status of Design Review and Approval
File number: 081081

The following is in response to the 10/7 comments, which address the Design Review Team concerns of the exterior design.

1. Surface Modulation: The surface modulation as been resolved between Scott Kindness and Greg Patin via phone conference on 10/8/09. Please find attached an illustration diagramming the material modulations. The encroachment of 1" over the property line complies with zoning regulations found in Chapter 245, section 245-4.19, Permissible Projections and Encroachments.
2. Windows on Parking Levels: Please find attached a design detail of the vehicle screening at the window openings at the parking levels.
3. Glazing Samples: These will be provided at the 10/19 City plan commission meeting.
4. Colors: The mortar colors are to match the brick colors.
 - a. Rum Raisin: Western Pre-blended W-67
 - b. Alaskan White: Western Pre-blended W-5
5. Mechanical Wall vents: Please find attached an elevation drawing indicating the locations of vents and mechanical louvers.
 - a. The color of the louvers to match the adjacent material color
 - b. The color of the plumbing vents will match adjacent material color.
 - c. Vents for fire protection will be natural aluminum finish.
6. Signage: Proposed signage locations are illustrated on the attached elevations.
7. DPW: The civil consultant has been in contact with DPW regarding the stormwater management requirements and has determined no stormwater management is required. In the comments received on 10/14/09, DPW confirms that this property does not require storm water management.
8. The building design complies with the fire separation requirement for openings. The design team will be meeting with a plan reviewer next week Thursday, October 22 for a preliminary plan review.

PRELIMINARY NOT FOR CONSTRUCTION

- TYP. GLASS BALCONY RAIL IN ALUMINUM FRAME
- TYP. ALUMINUM FRAME PATIO DOOR UNIT.
- TYP. (2) SINGLE HUNG ALUMINUM FRAME WINDOW.
- TYP. COMBINATION FIXED AND (2) SINGLE HUNG ALUMINUM FRAME WINDOW.
- MECH. MEZZANINE 142'-0" 1/2"
- T.O. LANDING 134'-1" 1/2"
- T.O. LANDING 126'-2" 1/2"
- T.O. LANDING 118'-3" 1/2"
- T.O. LANDING 109'-1" 1/2"
- T.O. FLOOR 99'-1"
- T.O. FOOTING 96'-0"



2

WEST ELEVATION

1" = 40'-0"

KILBOURN AND VAN BUREN

LEGEND

- +0" [Green box]
- +1" [Pink box]
- 2.5" [Yellow box]
- CURTAIN WALL [Blue box]

+0 = PROPERTY LINE

- SEVENTEENTH FLOOR 267'-0"
- SIXTEENTH FLOOR 257'-4"
- FIFTEENTH FLOOR 245'-8"
- FOURTEENTH FLOOR 235'-0"
- THIRTEENTH FLOOR 224'-4"
- TWELFTH FLOOR 213'-8"
- ELEVENTH FLOOR 203'-8"
- TENTH FLOOR 192'-4"
- NINTH FLOOR 181'-8"
- EIGHTH FLOOR 171'-0"
- SEVENTH FLOOR 160'-4"
- SIXTH FLOOR 149'-8"
- 5TH FLOOR (L5 PKG) 138'-8"
- 4TH FLOOR (L4 PKG) 130'-7"
- 3RD FLOOR (L3 PKG) 122'-8"
- 2ND FLOOR (L2 PKG) 113'-9"
- RETAIL 1ST FLOOR 97'-8"
- T.O. FOOTING 92'-0"



1

SOUTH ELEVATION

1" = 40'-0"

DATE: 10_08_09

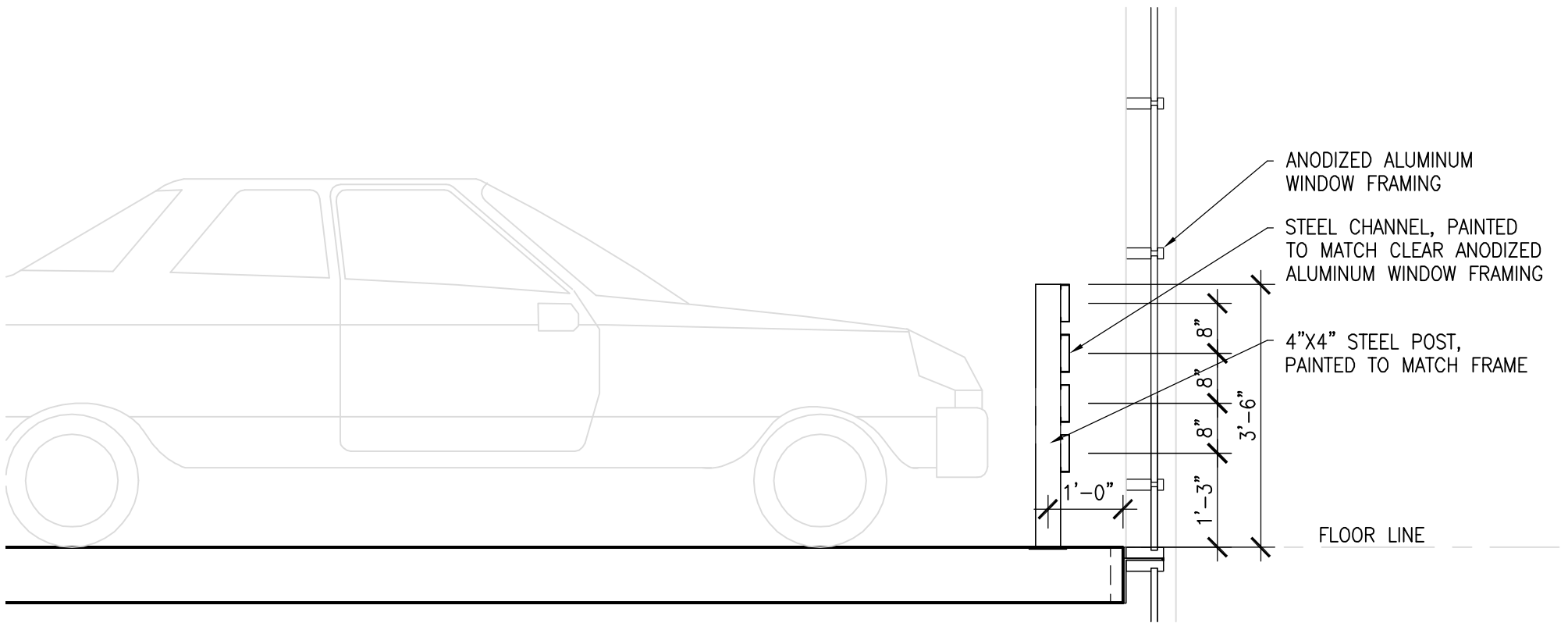
SCALE: AS NOTED



KINDNESS

architecture + planning

517e menomonee st. MILWAUKEE wi 53202



1

DETAIL - VEHICLE SCREENING

1/2" = 1'-0"

KILBOURN AND VAN BUREN

DATE: 10.16.09

SCALE: AS NOTED

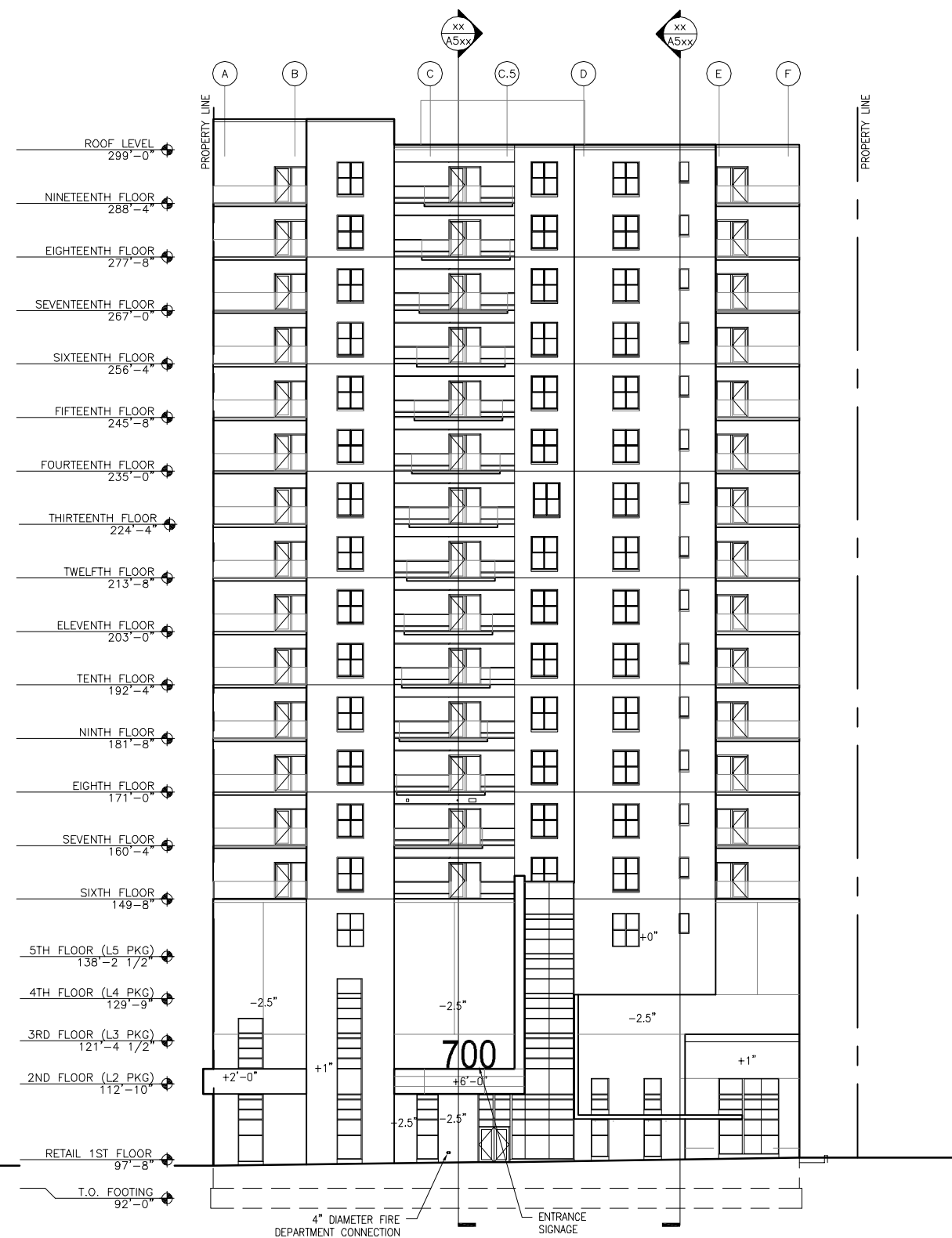


KILBOURN AND VAN BUREN

WEST ELEVATION



SOUTH ELEVATION



PRELIMINARY NOT FOR CONSTRUCTION

DATE: 10_14_09

SCALE: AS NOTED

A400

KINDNESS
architecture + planning
517 e menomonee st. MILWAUKEE wi 53202



KILBOURN AND VAN BUREN

DATE: 10_14_09





SCALE: AS NOTED

A401

**FN 081081
GPD to DPD
October 2009**

 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



PROOF OF PUBLICATION

STATE OF WISCONSIN
MILWAUKEE COUNTY

} SS

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

10/12/2009 10/19/2009

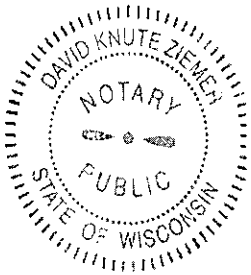
Ann E. Richmond

Subscribed and sworn to before me

October 19, 2009

M/Z

Notary Public, Milwaukee County, Wisconsin
My Commission Is Permanent



C. NO. 28
FILE NUMBER 081081

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 November 25, 2008 meeting of the Milwaukee Common Council, the essence of which is as follows:

Substitute ordinance relating to the change in zoning from General Planned Development to a Detailed Planned Development known as Bookends North, for a 19-story, mixed-use building with up to 224 residential units, on land located on the North Side of East Kilbourn Avenue and East of North Van Buren Street, in the 4th Aldermanic District.

The Mayor and Common Council of the City of Milwaukee ("Common Council"), do ordain as follows:

Part 1. There is added to the Milwaukee Code of Ordinances ("Code") a new section to read as follows:

Section 295-907(2)(c).0149.

(1) In accordance with the provisions of Section 295-907 of the Code relating to the establishment of planned development districts, the Common Council approves the subject Detailed Planned Development, 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.

(2) The zoning map is amended to change the zoning for the area described and bounded by:

Lots 9, 10, 11 and the South 3.0 feet of Lot 12 in Block 91 in the plat of partition of Lot 1 City of Milwaukee in the Northwest 1/4 of Section 28, Town 7 North, Range 22 East, City of Milwaukee, Milwaukee County, Wisconsin, together with that part of Lot 8 in Block 91, which is bounded and described as follows: Beginning at the northeast corner of said Lot 8; thence South along the east line of Lot 8 aforesaid 30.13 feet, to a point on the northerly line of East Kilbourn Avenue; thence Southwesterly along the northerly line of East Kilbourn Avenue 129.52 feet (129.42 feet surveyed) to a point on the east line of North Van Buren Street; thence North along the east line of North Van Buren Street 48.46 feet to the northwest corner of said Lot 8; thence East along the north line of Lot 8 aforesaid 128.21 feet (128.19 feet surveyed) to the point of beginning, containing a net area of 28,504 square feet or .06543 acres of land, from General Planned Development (GPD) to Detailed Planned Development (DPD).

(3) The requirements set forth in said detailed plan attached to this Common Council File as Exhibit A, constitute the zoning regulations for the area contained in such planned development district described, provided further, that the effect of the approval of such detailed plan is that such plan shall limit and control construction, location, use and operation of all land and structures included within the detailed plan to all conditions and limitations set forth in

such detailed plan.

Part 2. Any persons, firm, company or corporation owning, controlling or managing any building or premises wherein or whereon there shall be placed or there exists anything in violation of the terms of this ordinance; or who shall build contrary to the plans or specifications submitted to and approved by the Commissioner of the Department of City Development, or any person, firm, company or corporation who shall omit, neglect or refuse to do any act required in this ordinance shall be subject to the penalties provided in Section 200-19 of the Code.

Part 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid, or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions. The Common Council declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase or portion irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases or other portions be declared void or invalid.

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, October 27, 2009 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) at 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.

RONALD D. LEONHARDT,
City Clerk

10747285/10-12-19

Address of parcel(s): 700 E Kilbourn Avenue

Affidavit for Zoning Change

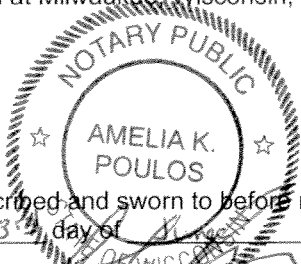
1. POLICY (s. 295-313). Each applicant for a zoning map amendment or approval of a planned development, and each applicant for a use variance or special use permit, shall submit to the city plan commission or the board of zoning appeals, as the case may be, a signed affidavit indicating whether the applicant 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 3RD day of JUNE, 2009.



[Signature]
Petitioner (signature)

WALTER SHUK
(print name, relationship to project)

Subscribed and sworn to before me
This 3RD day of JUNE, 2009

Notary Public, State of Wisconsin
My commission expires: 3/4/11

Office Use Only: File no. 081081

October 19, 2009

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

Dear Committee Members:

File No. 081081 relates to the change in zoning from General Planned Development (GPD) to Detailed Planned Development (DPD) known as Bookends North, for a 19 story, mixed use building with up to 224 residential units, on land located on the North Side of East Kilbourn Avenue and East of North Van Buren Street, in the 4th Aldermanic District.

This zoning change was initiated by New Land Construction, LLP and Bookends North, LLP and will allow for the construction of a 19 story, approximately 480,000 square foot, mixed use building with up to 224 residential units. The first five stories will consist of structured parking and the upper fourteen stories will be residential. There will be retail space on the ground floor at the corner of North Van Buren Street and East Kilbourn Avenue.

Permitted uses will include multi-family residential, general retail establishments, personal and business services, and restaurants. The unit mix for the residential portion will be 1, 2, and 3 bedroom apartments. The exterior building materials are primarily glass, two different colored precast concrete panels with reveals, and two different colors of utility brick. Staff is still working with the architect to ensure that there is sufficient modulation of building materials along the 5 story base. Floors 6-19 will be set back approximately 10 - 17 feet from the base. The balconies will be a mix of stainless steel rail with glass panel systems, and metal framed railings with a metal mesh infill.

The residential pedestrian main entrance will be along Kilbourn Avenue, and cars will access the parking structure from Van Buren Street. The 5 level structured parking will be internally ventilated. Clear or lightly tinted glazing will encompass part of the structure so as to break up the base visually and to better integrate it with the tower, and to allow natural light into the parking structure. The architects are working to ensure that headlights from the cars will not shine out of the structure in these areas. Vehicular access will be from Van Buren via two entrances. Parking will be located within the structure, as will trash/recycling. The main pedestrian access will be along Kilbourn Avenue, and retail space on Van Buren may have up to three entrances depending on the tenant. All deliveries will occur on Van Buren, as well as service access, loading, and unloading. A total of 292 structured parking spaces will be provided, for a ratio of 1.3 spaces per unit.

On October 19, 2009, a public hearing was held and at that time several people were in favor and a few people were opposed to the project. Those in favor stated that this project would employ several people during the construction of the exterior and interior of the building. Those opposed cited concerns over parking and garbage collection. It was clarified that collection would occur internal to the site. Since the proposed change complies with the previously approved General Planned Development, the City Plan Commission at its regular meeting on October 19, 2009 recommended approval of the subject file, conditioned on the applicant working with DCD staff on the final building design, particularly modulation of building materials along North Van Buren and East Kilbourn, and providing glazing samples for planning review and approval.

Sincerely,

Rocky Marcoux
Executive Secretary
City Plan Commission of Milwaukee

cc: Ald. Robert Bauman

NOTICES SENT TO FOR FILE 081081:

[illegible]

701 E KILBOURN LLC
1840 FARWELL AVE STE 203
MILWAUKEE WI 53202

BOOKENDS NORTH LLC
P.O. BOX 511448
MILWAUKEE WI 53203

BROAN DYE, NKA JOYCE
BROAN TR REV TR 2 21 89
814 E KILBOURN AV UNIT 814
MILWAUKEE WI 53202

DANIEL N & KAY A PATRINOS
REVOCABLE TRUST
806 E KILBOURN AV
MILWAUKEE WI 53202

ELIZABETH MARY FRYDA
812 E KILBOURN AV
MILWAUKEE WI 53202

JBC 12 LLC; TAH 12 LLC
C/O SHORELINE CO
1007 N CASS ST
MILWAUKEE WI 53202

JBC 37 LLC, JMH 37 LLC &
CAC 37 LLC
1007 N. CASS STREET
MILWAUKEE WI 53202

JBC 8 LLC
TAH 8 LLC
917 N CASS ST
MILWAUKEE WI 53202

JBC 8 LLC; TAH 8 LLC
C/O SHORELINE CO
1007 N CASS ST
MILWAUKEE WI 53202

JBC 9 LLC; TAH 9 LLC
C/O SHORELINE CO
1007 N CASS ST
MILWAUKEE WI 53202

JENNIFER LYNN ANDERLE
904 N CASS ST
MILWAUKEE WI 53202

LOIS SMITH
808 E KILBOURN AV
MILWAUKEE WI 53202

OLYMPIA-DOWNTOWN LLC
14201 W OVERLAND TR
NEW BERLIN, WI 53151

PASADENA APTS LLC
729 WALNUT ST, SUITE C
BOULDER, CO 80302

PATTIE R FOX WILCOFF
810 E KILBOURN AV
MILWAUKEE WI 53202

ST JOHN'S CATHEDRAL
831 N. VAN BUREN
MILWAUKEE WI 53202

ST JOHN'S CATHEDRAL
831 N JACKSON ST
MILWAUKEE WI 53202

TAH 11 LLC; JBC 11 LLC
C/O SHORELINE CO
1007 N CASS ST
MILWAUKEE WI 53202

TAH 15 LLC; JBC 15 LLC
C/O SHORELINE CO
1007 N CASS ST
MILWAUKEE WI 53202

TAH 16 LLC
JBC 16 LLC
1007 N CASS ST
MILWAUKEE WI 53202

TAH 7 LLC; JBC 7 LLC
C/O SHORELINE CO
1007 N CASS ST
MILWAUKEE WI 53202

THOMAS M SANFILIPPO
902 N CASS ST
MILWAUKEE WI 53202

TOMAR LIMITED PARTNERSHIP
C/O KEY MANAGEMENT
POB 510675
MILWAUKEE WI 53203

WIS SCOTTISH RITE BODIES
C/O NML INSURANCE
720 E WISCONSIN AVE N15NE
MILWAUKEE WI 53202

YANKEE HILL HSG PTNRS LP
C/O MICHAEL L MOREY
P O BOX 45530
MADISON, WI 537445530

KINDNESS ARCHITECTURE
SCOTT KINDNESS
517 E MENOMONEE ST
MILWAUKEE WI 53202

NEW LAND ENTERPRISES
BORIS GOKHMAN
1840 N FARWELL AV #203
MILWAUKEE WI 53202

City Center Office -
FN: 081081



Legislation Details (With Text)

File #: 090805 **Version:** 1

Type: Resolution **Status:** In Committee

File created: 10/13/2009 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Substitute resolution approving the terms of a Cooperation and Development Agreement for the property located at 700 East Kilbourn Avenue, in the 4th Aldermanic District.

Sponsors: ALD. BAUMAN

Indexes: HOUSING, PLANNED UNIT DEVELOPMENTS

Attachments: Term Sheet as of 10-21-09, Proposed Loan Guaranty for Bookends Apartments, Economic Feasibility Study as of 10-22-09, Fiscal Note, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
10/13/2009	0	COMMON COUNCIL	ASSIGNED TO		
10/21/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
10/23/2009	1	CITY CLERK	DRAFT SUBMITTED		
10/23/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number
090805
Version
SUBSTITUTE 1
Reference

Sponsor
ALD. BAUMAN

Title
Substitute resolution approving the terms of a Cooperation and Development Agreement for the property located at 700 East Kilbourn Avenue, in the 4th Aldermanic District.

Analysis
This substitute resolution approves the terms of a Cooperation and Development Agreement for the purpose of providing a loan guarantee for the construction of the Bookends project.

Body
Whereas, The Common Council of the City of Milwaukee, in accordance with the Economic Feasibility Study for the proposed Bookends project, desires to enter into a Cooperation and Development Agreement among the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee and Bookends North LLC to provide loan guarantee assistance for the Bookends project in an amount not to exceed \$3,450,000 to support the original principal amount of a subordinate loan the developer will obtain for the project in accordance with a Term Sheet, a copy of which is attached to this Common Council File; and

Whereas, The loan guarantee for the Bookends project will provide that in the event of a monetary default by the developer to its subordinate lender, the full amount of the City guarantee, in an amount not to exceed \$3.45 million, will be payable by the City to the developer's subordinate lender; now, therefore, be it

Resolved, That the Common Council of the City of Milwaukee, approves the Term Sheet for the Bookends Cooperation and Development Agreement; and, be it

Further Resolved, That the Common Council authorizes up to, not to exceed, \$3,450,000 in the form of a loan guarantee for the Bookends project in accordance with the Term Sheet for the Bookends Cooperation and Development Agreement; and, be it

Further Resolved, That an amount not to exceed \$3,450,000 of Contingent Borrowing shall be reserved for the term of the City's obligations under the loan guarantee and may be used for payment of the City's loan guarantee obligation to the developer's subordinate lender in the event of a default by the developer, which would require payment on the loan guarantee; and, be it

Further Resolved, That the City declares its intent to borrow for any such expenditures using traditional tax-exempt bonds, special revenue bonds or other financing options that may be available to the City; and, be it

Further Resolved, That the proper City officials are directed to enter into a Cooperation and Development Agreement with the Redevelopment Authority of the City of Milwaukee and the developer for the purpose of implementing the Bookends project and related loan guarantee provisions on terms substantially in accordance with said Term Sheet for the project.

Drafter
CA:DMB:dmb
10/22/09

Term Sheet
City of Milwaukee Loan Guarantee for Bookends Project
Development Agreement between City of Milwaukee and Bookends North, LLC
October 21, 2009

<u>Project:</u>	<p>The City of Milwaukee (“City”), via its Redevelopment Authority (“RACM”), intends to provide a City-backed guarantee, City-issued letter of credit, or similar instrument (“City Guarantee”) to support a third party Unsecured Subordinate Loan (“Subordinate Loan”) to assist with the development of the Bookends rental residential project located at the northeast corner of Kilbourn Avenue and Van Buren Avenue.</p> <p>For the purposes of this Term Sheet, the term “City” collectively refers to the City, RACM, and/or other affiliates of these entities except where otherwise specified.</p> <p>The Bookends Project (“Project”) is a 19-story high-rise structure containing:</p> <ul style="list-style-type: none">• 224 for rent luxury apartment units;• 292 above ground, structured parking spaces; and• 3,000 square feet of street level retail <p>Total Project costs are estimated at \$60.2 million</p>
<u>Developer/ Borrower:</u>	<p>Bookends North, LLC is a Wisconsin Limited Liability Company owned 50% by New Land Development, LP and 50% by Wiechman Enterprises. Both partners will be co-managing members of the Developer entity. The ownership structure has not been finalized at this time, but organization documents and final structure will be provided within the next 1-2 months.</p>
<u>Zoning/Design Review:</u>	<p>The Project is zoned GPD (General Planned Development) with permitted uses of multifamily residential dwelling units, parking, and retail and is subject to, and being developed in accordance with, the standards required by these regulations. In order to start construction of the development, approval must be obtained to change the zoning from GPD to Detailed Planned Development (DPD) which would approve the actual building design, elevations, materials, final signage, floor plans, etc. The Developer has submitted an application to start this rezoning to DPD in Document FN 081081. On October 19, 2009, the City Plan Commission has approved the CPC file for the rezone from a GPD to a DPD for this project.</p>

<p><u>Development Schedule:</u></p>	<p>Construction shall commence by June 1, 2010. The Developer shall secure a Certificate of Occupancy and reach Project completion within 19 months of construction commencement.</p>
<p><u>Project Budget:</u></p>	<p>Total project budget is approximately \$60.2 million. Estimated total sources include:</p> <ul style="list-style-type: none"> • Approximately \$51.75 million in 221(d)4 loan proceeds funded by Love Funding and guaranteed by HUD • Approximately \$5.0 million in equity from the Developer (anticipated to consist of \$2.6 million in cash equity and \$2.4 million in deferred Developer fees) • \$3.45 million in Subordinate Loan guaranteed by the City of Milwaukee as described below <p>The primary financing for the Project will be a HUD 221(d)4-enhanced senior loan (“Senior Loan”) in an amount to be determined through final sizing, but not to exceed \$51.75 million and not less than \$51.0 million, funded by an investor anticipated to be the AFL-CIO and serviced by Love Funding. The term of this loan will be the construction period plus 480 months of amortization.</p> <p>Payments will be interest-only during the construction period, funded from a capitalized interest reserve. After completion, level monthly debt service payments commence such that the loan would be fully amortized over 480 months. These payments also include a mortgage insurance charge equal to 45 basis points on the principal amount of the loan.</p> <p>The parties understand and agree that Love Funding is seeking a waiver on certain HUD cost limitations to reach a loan size of \$51.75 million, and that Love Funding has indicated that this is likely to be granted. They further agree that this Term Sheet and the ensuing Development Agreement are predicated on the grant of this waiver. If this waiver is not obtained, the City may deem this issue a material change that requires restructuring and supplementary approval.</p>
<p><u>City Guarantee:</u></p>	<p>The City intends to negotiate a Cooperation and Development Agreement with RACM and the Developer to provide loan guarantee assistance for the Project. Subject to completion of due diligence and satisfaction of all closing conditions, the City intends to provide this guarantee in an amount not to exceed \$3.45 million to support the <u>original principal amount</u> of a Subordinate Loan that the Developer will obtain.</p>

	<p>The City Guarantee will have the following key terms:</p> <ul style="list-style-type: none"> • Term of the City Guarantee will be equal to the lesser of 79 months or the construction period plus 5 years • City Guarantee applies solely to the original principal amount of the Subordinate Loan, not to any interest, whether accrued or otherwise • The full amount of the City Guarantee will be payable to the Subordinate Lender upon a substantive monetary default by Developer, and expiration of any cure periods • City Guarantee will be ultimately secured by the full faith and credit of the City of Milwaukee. • Any City payments under the City Guarantee will themselves be secured by personal guarantees from Boris Gokhman, Vladimir Shuk, and James Weichmann (including life insurance requirements as specified by the City) • Developer will also provide City with a senior and exclusive mortgage on the Sterling property or other real property collateral deemed acceptable by the City. • To the extent allowable by HUD, City will also be granted a second mortgage on the Project property to secure the City Guarantee • City will have the right to require assignment of the Subordinate Loan from the Subordinate Lender immediately upon the City's payment of the Guarantee • Developer will be restricted from assuming any additional indebtedness secured by the Project other than the Senior and Subordinate Loan • Carry a 2% origination fee to be paid to the City at closing • Carry an annual maintenance fee of 2% per year during the construction period and first year of operations and 4% per year thereafter to be paid to the City on a subordinate basis to debt service on the Senior and Subordinate Loans, but prior to any equity distributions. • Annual maintenance fees will be reserved in the project budget for the construction period and first operating year. <p>As a provision of the Development Agreement, the City shall also have the right to impose a long-term special assessment on the property to recover any funds the City has paid out on the City Guarantee.</p>
<p><u>Subordinate, Unsecured Loan ("Subordinate</u></p>	<p>Currently, this loan is anticipated to be funded by Emerald Isle Investment Partners. The City reserves the right to approve any replacement lender. The Subordinate Loan supported by the City</p>

<p><u>Loan”)</u></p>	<p>Guarantee will:</p> <ul style="list-style-type: none"> • Be issued on an accruing interest basis during the construction period, and an interest-only basis thereafter with no principal repayment required during the base loan term • Be subordinated to the Senior Loan and have no mortgage on the Project or any other assets • Incorporate sufficient flexibility in payment timing to accommodate a typical schedule of HUD approval/release of net cash flow to the Developer • Have no provisions that could result in a default that would trigger payment of the City’s guarantee during the construction period • Have an original principal amount of no greater than the amount of the City Guarantee • Not be drawable to reimburse any Developer pre-paid costs or repay any debt obligations of the Developer or its affiliates • Carry an interest rate of no more than 9% calculated on a 360-day year consisting of 12 30-day months • Include a base loan term extending at least 3 months beyond the expiration of the City Guarantee • Incorporate a reasonable cure period for any monetary or technical defaults • Grant the right for the City to require assignment of the Subordinate Loan upon payment of the City Guarantee • Require that any releases of the HUD-required Working Capital Reserve not needed to pay project costs would be set aside as a restricted debt service reserve for the Subordinate Loan
<p><u>Developer Equity:</u></p>	<p>The Developer will provide at least \$5.0 million of total equity, including not less than \$2.6 million of cash equity in the form of:</p> <ul style="list-style-type: none"> • Cash funded into the construction escrow at closing; and/or • City-approved pre-paid costs to third party entities <p>Cash equity (\$2.6 million) shall not be reimbursed or reimbursable via the proceeds of the Senior or Subordinate Loans.</p> <p>In addition, the Developer may defer up to 100% of Developer Fee (described below), estimated at \$2.4 million, and have this deferral counted toward the minimum overall \$5.0 million equity requirement. If a lesser amount is deferred and additional capital contributions are made instead, these contributions shall not be counted toward the \$2.6 million base cash equity requirement described above.</p>

<p><u>Developer Fee:</u></p>	<p>Developer Fees and Overhead allocations in the Project budget shall be limited to \$2.4 million. Any deferred portions to be counted towards the \$5 million total equity requirement (see “Developer Equity” above) shall be subordinated to the Senior and Subordinate loans, and payable solely from net cash flow of the Project.</p>
<p><u>Conditions to Closing/Issuance of City Guarantee:</u></p>	<p>Preconditions to closing of Development Agreement and issuance of City Guarantee shall include, but not be limited to, such items as:</p> <ul style="list-style-type: none"> A. <u>Design Review.</u> The City of Milwaukee shall have approved the final plans and specifications for the Project, and issued permits for building construction. B. <u>Evidence of Financing.</u> Developer must provide evidence that, together with the Subordinate Loan, sufficient Senior Debt and Developer equity are committed (and all preconditions to funding satisfied) to pay for the costs of the Project. C. <u>Project Property Appraisal.</u> City is to be provided an appraisal of the Project real property evidencing an appraised value of at least \$60.2 million or additional equity and collateral will be required. D. <u>Appraisal/Evidence of Value and Title Information on Guarantee Collateral.</u> City is to be provided an appraisal, financial statements, and/or other information satisfactory to the City as to the value of the real property collateral to be mortgaged to secure the City Guarantee. The 2009 Final Assessed Value of this collateral per the Milwaukee City Assessor shall not be less than \$1.65 million. The Developer will also provide satisfactory evidence of clear title to the City. E. <u>Personal Guarantees and Verification of Assets.</u> The City of Milwaukee is to be provided with satisfactory personal guarantees from the principals of the Project as described in the City Guarantee section of this Term Sheet, including acceptable evidence of the assets of these guarantors and acceptable life insurance. F. <u>Loan Documents.</u> City will have received and approved all documentation related to the Senior and Subordinate loans. G. <u>Evidence of Equity Contributions.</u> City will have received and approved evidence of the Developer’s cash equity contribution greater than or equal to the minimum amount specified in this

	<p>Term Sheet.</p> <p>H. <u>Insurance.</u> Borrower is to provide City with evidence of Insurance for all coverage customary for the City and its affiliates on loan transactions. This will include hazard insurance.</p> <p>I. <u>Title.</u> Borrower is to provide evidence of title insurance naming City as mortgagee on Project property (if allowable by HUD) and any real property securing the City's Guarantee</p> <p>The City will be granted the rights to monitor the construction process and to receive copies of all draw requests and supplemental information simultaneously with the Senior and Subordinate Lenders. Subordinate Lender and Developer will also provide City with interest statements, debt service invoices, and evidence of payment.</p>
<u>Development Agreement/Loan Agreements:</u>	<p>The City, RACM, and Developer shall enter into a Cooperation and Development Agreement, Guarantee Agreements (evidencing both the City's guarantee to the Subordinate Lender and the Developer's guarantees to the City), and ancillary loan documents containing terms consistent with this Term Sheet and customary for such development and transaction agreements (collectively, "Agreements"). The Development Agreement, or a memorandum summarizing the terms thereof, will be recorded against the Project property with the Milwaukee County Recorder of Deeds.</p>
<u>Limits on Developer Action:</u>	<p>Until all Developer obligations under the Development Agreement have been fully discharged, the Developer may not without City consent:</p> <ul style="list-style-type: none"> • Liquidate or consolidate the Site; • Merge with another entity; • Enter into any transaction that would materially adversely affect the ability of the Developer to complete the Project or its obligations under the Development Agreement; • Assume additional indebtedness for which the collateral includes any portion of the Project or the Developer's interest therein, or any collateral pledged to the City • Assume or guarantee the obligations of any other person or entity that would materially adversely affect the ability of the Developer to complete the Project or repay the Senior and Subordinate

	<p>Loans; or</p> <ul style="list-style-type: none"> • Enter into a transaction that would cause a material and detrimental change to the Developer's financial condition
<u>Human Resources:</u>	See Exhibit A
<u>Prevailing Wages:</u>	See Exhibit A
<u>PILOT Payments:</u>	The Development Agreement will require payments in lieu of taxes with respect to any parcel, unit or building within the Project site that subsequently becomes exempt from real property taxes. This provision shall be incorporated into a covenant running with the land.
<u>Financial Statements:</u>	<p>Throughout the term of the Loans, Developer shall provide annual financial statements prepared and audited by outside accountants acceptable to the City no later than 120 days following the close of each Borrower fiscal year for the Project, certified as to accuracy by the Developer, and annual tax returns within 120 days of the end of fiscal year. The City shall pledge to hold such records confidential to the greatest extent permitted by law. Developer shall also provide such other information on Project financial performance or other related matters as may be requested by the City in its discretion to oversee Developer performance and maintenance of collateral.</p> <p>Guarantors are required to provide the City with signed, updated personal financial statements within 120 days of the end of each year and if requested, a signed copy of their personal tax returns.</p>
<u>Defaults:</u>	Monetary or technical defaults on the Senior or Subordinate Loans shall be considered Events of Default under the Development Agreement and, at the City's discretion, other ancillary documents executed by Developer and City. The Development Agreement will define these and other Events of Default, as well as corresponding cure periods and remedies if applicable. These Events of Default will be based on provisions in this Term Sheet, standard City Development Agreement provisions, and other commercially reasonable terms as may be required by the City.
<u>General:</u>	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 in one or more agreements, including the

Agreements mentioned above, between the City and Developer. Resolutions approving the Term Sheet will also provide for the execution of all additional documents and instruments necessary to implement the Project.

All other customary provisions (Comptroller audit rights, DCD Commissioner review and approval of project budget and design, etc.) will also be included in the Development Agreement.

Exhibit A: Human Resource Requirements

It is the intent of the Department of City Development to submit a Substitute Exhibit A with language that adequately addresses the EBE, RPP, and Prevailing Wage requirements for this project by or before October 26, 2009 at 4:00 pm.

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Office of the Comptroller

W. Martin Morics, C.P.A.
Comptroller

Michael J. Daun
Deputy Comptroller

John M. Egan, C.P.A.
Special Deputy Comptroller

Craig D. Kammholz
Special Deputy Comptroller

October 23, 2009


Members of the Zoning, Neighborhoods
& Development Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

RE: File 090805 Proposed Loan Guaranty for the Bookends Apartments

Dear Committee Members:

File 090805 would provide a loan guaranty related to the construction of the Bookends Apartment project to be located at 700 East Kilbourn Avenue. We are unable to provide a review to the Committee as we have not received basic information necessary for analysis, including a term sheet, feasibility study or project plan for the project. Based upon copies of emails we received as late as Wednesday, October 21st, the terms of this possible project were still being negotiated between DCD and the developer. Should these entities reach agreement, once we receive and analyze the necessary documents from DCD, we will provide our report on the project to the Committee. Please contact me, should you have any questions regarding this letter.

Sincerely,



W. MARTIN MORICS
Comptroller

Cc: Mayor Tom Barrett
Commissioner Marcoux

City of Milwaukee
Proposed Bookends Project and TID (TID#X)

Economic Feasibility Study

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Appendix: Construction Cost Review Summary

S. B. Friedman & Company
221 N. LaSalle Street
Chicago, IL 60601-1302
Phone: 312/424-4250; Fax: 312/424-4262

www.friedmanco.com

1. Project Description and Study Approach

The site of the proposed Bookends project (“Project”) is located at the northeast corner of Kilbourn and Van Buren Avenues in downtown Milwaukee. As proposed, the 19-story Bookends will include rental apartments, structured parking, and street-level retail space. The proposed program specifically includes:

- **Apartments**—238,000 square feet for 224 units on floors six through 19.
- **Structured Parking**—292 spaces on floors one through five.
- **Retail**—3,000 square feet of retail on the first floor.

Bookends North, LLC (“the Developer”) is a Wisconsin Limited Liability Company owned 50% by New Land Development, LLP and 50% by Wiechman Enterprises. The ownership structure as the project proceeds has not been finalized at this time, but organization documents and final structure will be provided within the next 1-2 months.

The Developer has requested a loan guarantee (“City Guarantee”) from the City of Milwaukee (“the City”) for the Project. The City Guarantee would secure the principal balance of a proposed loan that would be provided by a subordinate lender (“Subordinate Loan”). The proposed loan guarantee amount is **\$3.45 million**. Additional detail on the proposed City assistance parameters is included in the “Financing Structure” section in Chapter 2.

To support the City Guarantee to the Bookends project, the City is proposing the creation of a Tax Incremental District (TID) that would encompass only the Project. Unlike typical TIDs in Milwaukee, this TID would be a contingent mechanism to provide protection to the City’s general fund if the guarantee needs to be funded. Additional detail on the proposed TID is included in Chapter 3.

Study Approach

In addition to reviewing the developer’s overall pro forma for the Bookends project, *S.B. Friedman & Company* (“*SBFCo*”), in conjunction with construction consultants The Concord Group (“Concord”), reviewed and considered the following key factors affecting the TID feasibility of the proposed project:

- Construction cost budget and supplemental information provided by KBS on behalf of the developer
- Key financing assumptions embedded in the Developer’s pro formas
- Assessment techniques and assumptions likely to be used as a basis for property taxation, based on key informant interviews with the City of Milwaukee Assessor’s Office
- Real property assessment data from the City Assessor’s Office on the Project taxkeys

- Real property assessment data for other comparable properties elsewhere in Milwaukee to validate the potential assessed valuation of the project
- Potential bonding assumptions as provided by DCD and the Office of the City Comptroller to be used in evaluating financing capacity

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2. Need for Financial Assistance

Pursuant to our engagement with the City of Milwaukee, *SBFCo* reviewed key assumptions included in the developer's pro forma for the Bookends project, as well as the resulting implications on the need for a City Guarantee.

Project Costs, Revenues, and Financing Parameters

SBFCo, with the assistance of Concord, reviewed costs, revenues, and financing structure/parameters included in the developer's proposed project budget.

The Project is anticipated to obtain support for its senior debt via the HUD 221(d)(4) loan guarantee program. In this program, HUD provides the senior lenders for rental apartment projects with a financial guarantee, provided the project is underwritten within HUD standards, which include certain requirements as to maximum loan size, required reserves, and mortgage insurance payments. In turn, this guarantee allows the project to raise capital at attractive rates and a 40-year amortization schedule. The 221(d)(4) loan is anticipated to fund approximately 86% of project costs.

Market Studies

As part of the HUD underwriting parameters, the Developer provided two rental apartment market studies – the first by Tracy Cross & Associates (completed in August of 2008), and the second by Integra Realty Resources (completed in July of 2009). These market studies suggest the following:

- Little new supply has been added to the Milwaukee rental market over the past several years, and condominium conversions are removing some rental product (including the high-end Lake Bluff) from the market.
- Demand is likely to exist for additional luxury rental apartment units in the Downtown Milwaukee market over the next several years, and this demand is sufficient to occupy the proposed project at a reasonable capture rate.
- The studies identify rents in the \$1.80 to \$1.90 per square foot per month range as the highest observed to date in the Milwaukee market. However, based on the lack of recent construction activity (and therefore the fact that the Bookends would be substantially newer than other luxury product), plus the fact that the Bookends is proposed with a higher amenity/finish level than the comparables, both studies suggest Bookends could achieve rents at the proposed \$2.09 per square foot level.

The Developer has indicated that, to be conservative, the pro forma submitted to the City reflects rents of \$2.09 per square foot, the base rent established by Integra, plus one-time amenity fees and other minor fee income. As noted by the Developer, however, the Integra study suggests view premiums and height premiums could yield additional rent of \$0.28 per square foot and net operating income of approximately \$340,000 per year.

Developer Pro Forma

SBFCo's review of the Developer's pro forma yielded the following key observations regarding costs and revenues:

- **Construction Costs.** The Developer's pro forma carries \$43.4 million in construction costs, which are tied to a KBS estimate that the Developer has provided. Based on HUD requirements, it is *SBFCo's* understanding that KBS will need to provide a Guaranteed Maximum Price (GMP) contract for the construction prior to finalization of the 221(d)(4) guarantee. Concord reviewed construction cost estimates provided by KBS in light of the schematic-level design information available at this stage in the proposed project. Concord found that the KBS estimates were reasonable, and that current construction market conditions are allowing for favorable pricing from contractors. Concord's estimate carried a 3% design contingency based on the schematic level of design, which was either not reflected in the KBS estimate, or was blended into other line items. This recommendation is in line with a 3% contingency being carried at the Developer level in the Project budget to address such issues as cost increases during design refinement prior to the finalization of the GMP contract. Also, the HUD-required Working Capital Reserve of \$1 million can provide additional protection against cost overruns. A summary of Concord Group's review is contained in the Appendix to this report.
- **Soft Costs.** Soft costs, including architecture, engineering, and HUD-required reserves comprise approximately 20% of Total Development Costs, excluding land and developer fee. This percentage is higher than the 17% *SBFCo* has observed on average for soft costs in urban mixed-use redevelopment projects. However, this discrepancy appears to be primarily attributable to two factors:
 - The inclusion of a sizeable reserve for the first operating year of the project, in which the Developer anticipates less than 50% average occupancy as the project leases up. Therefore, a \$2.1 million reserve is included to cover the anticipated difference between Net Operating Income and debt service in that first year
 - Inclusion of additional financing costs such as interest paid by the Developer on a predevelopment loan and a capitalized reserve to pay the City Guarantee fees during the construction and initial operating period.
- **Developer Fee.** Developer Fees are limited to \$2.4 million, or 4.0% of total Project costs—in line with typical ranges for projects of this type. Per the proposed terms of City assistance, the Developer has the option to defer up to 100% of these fees and subordinate them to the Senior and Subordinate loans. Any such deferrals would be counted as Developer Equity for the purposes of meeting the City's minimum total Developer Equity requirement of \$5.0 million (see "Developer Equity" below). If deferred, the fees would be paid from net cash flow of the project after completion, as opposed to funded during construction from a source in the development budget.
- **Lease Revenues.** The projected revenue stream for the Bookends project is derived from the rent schedules for apartment units, parking spaces, and retail space. Once the project

reaches stabilization in 2014, the annual gross income is projected at approximately \$6 million from apartments, \$475,000 from rentable apartment parking spaces, and \$63,000 from the retail space. Apartment rents are projected to be above the current high end of the observed spectrum in Downtown Milwaukee at approximately \$2.09 per square foot at stabilization.

- **Operating Expenses.** The Developer intends to lease the retail space on a net basis, with pass-throughs of real estate taxes, common-area maintenance and other typical expenses to the tenants. The Developer also plans to charge apartment tenants for water and sewer usage, offsetting a portion of those utility expenses. Operating expenses for the apartment component of the project are projected at 28% of rental revenues, which is in the low range for newly constructed apartment projects based on reviews of benchmark sources such as Institute of Real Estate Management (IREM) surveys and pro formas for other rental apartment projects. The Developer has indicated that the operating expense projections are primarily based on actual experience with operations of the Jefferson Block project in the Third Ward.

Financing Structure

The proposed financing for the Project includes four key funding components:

- **HUD 221(d)4 Debt.** The primary financing for the Project will be a HUD 221(d)4-enhanced senior loan (“Senior Loan”) of approximately \$51.75 million, funded by an investor to be determined (currently anticipated to be the AFL-CIO) and serviced by Love Funding. The term of this loan will be the construction period plus 480 months of amortization. Love Funding is seeking a waiver on certain HUD cost limitations to reach a loan size of \$51.75 million, but indicates that this accommodation is likely to be granted. Grant of this waiver appears to be an important component of the funding structure for the Project—without this, the maximum Senior Loan amount would likely be about \$45.1 million.

Payments will be interest-only during the construction period, funded from a capitalized interest reserve. After completion, level monthly debt service payments commence such that the loan would be fully amortized over 480 months. These payments also include a mortgage insurance charge equal to 45 basis points on the principal amount of the loan. Interest is fixed for the entire 40+ year period, and is anticipated to be based on a spread over the yield on 10-year Treasuries at the time the rate is locked. For the purposes of pro forma analysis, the Developer and *SBFCo* used a 6.25% assumed interest rate—somewhat higher than the rate would be if the rate was locked today.

- **Developer Equity.** The terms of the City’s proposed assistance require the Developer’s total equity contribution to the Project to be at least \$5.0 million, of which at least \$2.6 million must be a cash contribution. For the purposes of evaluating equity returns, *SBFCo* assumed that the Developer Equity component would be comprised of:
 - Cash equity that will be funded at the Project financial closing (\$2.6 million)

- 100% deferral of the \$2.4 million Developer Fee until after completion, when it would be paid from cash flow from the property, rather than loan proceeds

Per the proposed terms of the transaction, the Developer has flexibility to substitute additional cash equity contributions for fee deferrals.

- **City Guarantee/Subordinate Loan.** The City would provide a City Guarantee in the amount of up to \$3.45 million, which would be used to secure a Subordinate Loan to the project. While the Developer has not provided a statement of proposed terms from a Subordinate Lender, the terms carried in the City's proposed assistance package are reflective of the Developer's discussions with multiple prospective funders. This Subordinate Loan is anticipated at a 9% interest rate, and would be sourced by a private provider (anticipated to be Emerald Isle Investment Partners). This Loan would not be secured by the Project property, due to restrictions typically imposed by HUD on second mortgages. Instead, if the Developer defaulted on debt service payments to the Subordinate Lender, the City would pay out the full amount of the City Guarantee (restricted to the original principal amount of the Guarantee) and assume ownership of the loan itself. Payments on the Subordinate Loan would be interest-only with a full "balloon" repayment at the end of the loan term. The proposed terms of the City Guarantee and Subordinate Loan are similar, at approximately 7 years—the construction period plus five operating years. However, per the proposed terms of the City Guarantee, the Guarantee would expire prior to the Subordinate Loan, thus protecting the City from refinance risk.

The proposed deal terms call for the Developer to in turn provide the City with security for its Guarantee. Specifically, the Developer would provide the City with a senior and exclusive lien on satisfactory collateral separate from the Project, as well as personal guarantees from the key principals of the Developer entity. To the extent allowable by HUD, the City would also be granted a second mortgage on the Project property. The City Guarantee is proposed to carry a 2% origination fee to be paid to the City at closing, and it would also carry an annual maintenance fee to be paid to the City on a subordinate basis to debt service on the Senior and Subordinate Loans. This fee would be 2% per year during the construction period and first operating year, and 4% per year during each additional year in which the guarantee remains in place.

Projected Developer Returns

In order to evaluate the need for assistance in the form of a City Guarantee, *SBFCo* calculated:

- **Equity Returns** expressed as an annual yield on investment and an overall internal rate of return (IRR) with the proposed level and structure of assistance. This calculation is based on the developer's estimated equity contribution (described in "Developer Equity" above), annual net cash flow after expenses and debt service, and the income from an assumed hypothetical sale of the property in Year 11.

- **Returns on Cost** in terms of annual yield on project cost and overall unleveraged IRR. This calculation is based on a comparison between annual project income before debt service and total project cost.

Tables 1 through 3 on the following pages show the Sources and Uses of Funds, projected operating revenues and expenses, and the resulting projected cash flows and returns.

RETURNS ON EQUITY

SBFCo's return calculation yields a projected leveraged IRR on equity of about 23%. In the first stabilized year (Year 3), cash return on equity is projected at 12.4%. This return is at the higher end of the range observed at the pro forma stage for speculative real estate development projects.

RETURNS ON COST

SBFCo also projected IRR on total project cost (or "unleveraged IRR") based on the initial unleveraged total project cost less projected project income before debt service. This calculation yielded an unleveraged IRR projection of 10.0%. *SBFCo* benchmarked these returns to national data on apartment projects from PriceWaterhouseCoopers/Korpacz Investor Survey for the Fourth Quarter of 2008. The Korpacz survey indicates a market average for multi-family apartments of about 8.3% and an observed market range of 6% to 10.5%. Because this index is primarily composed of purchases of existing cash-flowing assets, as opposed to proposed development projects, it is appropriate that the Bookends project would have a somewhat higher projected return on cost. Annual yield on cost in the first stabilized year is projected at 8.1%-within a typical range.

City of Milwaukee
Bookends Loan Analysis

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Table 1: Sources and Uses of Funds

			TOTAL	Incurred to Date	To be Incurred	% of Cost
USES						
Land						
Land Acquisition			\$ 2,000,000	\$ 2,000,000		
Predevelopment Carry Costs			\$ 10,453	\$ 10,453		
Total Land			\$ 2,010,453	\$ 2,010,453	\$ -	
Hard Costs						
Construction GMP from KBS			\$ 43,364,440		\$ 43,364,440	
Design Contingency	3%		\$ 1,300,933		\$ 1,300,933	
Total Hard Costs			\$ 44,665,373	\$ -	\$ 44,665,373	
Soft Costs						
Market Studies			\$ 59,540	\$ 59,540	\$ -	
City Underwriting Costs			\$ 58,000	\$ 58,000	\$ -	
Architecture and Engineering			\$ 1,070,000	\$ 520,000	\$ 550,000	
Predevelopment Engineering			\$ 66,045	\$ 66,045	\$ -	
Predevelopment Legal			\$ 10,282	\$ 10,282	\$ -	
Legal			\$ 50,000		\$ 50,000	
Survey			\$ 6,969	\$ 6,969	\$ -	
Insurance			\$ 75,000		\$ 75,000	
Accounting			\$ 81,286	\$ 1,286	\$ 80,000	
Job Representative			\$ 250,000		\$ 250,000	
Construction Interest Reserve- Senior Loan	60%	avg drawn	\$ 3,072,656		\$ 3,072,656	
Real Estate Taxes- Predevelopment			\$ 36,506	\$ 36,506	\$ -	
Taxes During Construction			\$ 450,000		\$ 450,000	
EBE Consultant			\$ 75,000		\$ 75,000	
Marketing/Model Costs			\$ 350,000		\$ 350,000	
FF&E			\$ 42,500	\$ -	\$ 42,500	
Retail TI Allowance	\$50	psf	\$ 150,000		\$ 150,000	
Love Funding- Non-Refundable Deposit			\$ 36,500	\$ 36,500	\$ -	
Love Funding Brokerage Fee	0.75%	Principal	\$ 388,125		\$ 388,125	
Subordinate Loan Brokerage Fee	1.50%	Principal	\$ 51,731		\$ 51,731	
HUD Cost Certification Audit Fee			\$ 25,000		\$ 25,000	
HUD Market Study			\$ 10,000		\$ 10,000	
HUD Title & Recording			\$ 25,000		\$ 25,000	
HUD Legal Fee			\$ 40,000		\$ 40,000	
HUD Borrower's Organization Fee			\$ 64,700		\$ 64,700	
HUD GNMA Placement Fee			\$ 10,700		\$ 10,700	
HUD Insurance			\$ 21,000		\$ 21,000	
HUD Mortgage Insurance Premium Reserve	0.9%	of HUD Loan	\$ 465,750		\$ 465,750	
HUD Application Fee	0.3%	of HUD Loan	\$ 155,250		\$ 155,250	
HUD Inspection Fee (.5%)	0.5%	of HUD Loan	\$ 258,750		\$ 258,750	
Working Capital Escrow	2.0%	of HUD Loan	\$ 1,035,000		\$ 1,035,000	
Initial Operating Deficit Reserve (HUD Requirement)			\$ 2,115,733		\$ 2,115,733	
City Guarantee/LC Fee	2%	of Guarantee	\$ 68,975		\$ 68,975	
Capitalized Guarantee LC Fees	2%	3 years	\$ 206,925		\$ 206,925	
Predevelopment Interest			\$ 240,000		\$ 240,000	
Total Soft Costs			\$ 11,122,923	\$ 795,128	\$ 10,327,796	
Developer Fees and Overhead						
Developer Fee			\$ 2,408,281	\$ -	\$ 2,408,281	4.0%
Total Developer Fees and Overhead			\$ 2,408,281	\$ -	\$ 2,408,281	
TOTAL DEVELOPMENT COSTS			\$ 60,207,031	\$ 2,805,581	\$ 57,401,450	
SOURCES (after closing of HUD Loan)						
Developer Cash Equity			\$ 2,600,000	\$ 2,600,000	\$ -	4.3%
Deferred Developer Fee	100%		\$ 2,408,281		\$ 2,408,281	4.0%
Subordinate, Un-Secured City-Guaranteed Loan			\$ 3,448,750		\$ 3,448,750	5.7%
Love Funding/HUD Senior Loan			\$ 51,750,000	\$ 205,581	\$ 51,544,419	86.0%
TOTAL SOURCES			\$ 60,207,031	\$ 2,805,581	\$ 57,401,450	

Source: Bookends North, LLC and S. B. Friedman & Company

City of Milwaukee
Bookends Loan Analysis

Table 2: Operating Income Calculation

	GLA	Units/Spaces	Monthly Rent per Unit/Space/Sq. Ft.	Annual Rent per Unit/Space/Sq. Ft.	Total Annual Rent
Apartments	237,972	224	\$ 2,222.97	\$ 26,675.63	\$ 5,975,340
Parking	N/A	292	\$ 135.00	\$ 1,620.00	\$ 473,040
Retail	3,000	N/A	\$ 1.83	\$ 22.00	\$ 66,000
TOTAL					\$ 6,514,380

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		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Revenue Growth			2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Expense Growth			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Occupancy:												
Apartments		47%	91%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Parking		47%	91%	95%	95%	95%	95%	95%	95%	95%	95%	95%
Retail		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Rental Revenue												
Apartments	\$ 2,222.97	\$ 2,800,941	\$ 5,572,291	\$ 5,993,077	\$ 6,157,887	\$ 6,327,229	\$ 6,501,228	\$ 6,680,012	\$ 6,863,712	\$ 7,052,464	\$ 7,246,407	\$ 7,445,683
Water/Sewer Fee	\$ 0.13	\$ 14,501	\$ 28,078	\$ 30,198	\$ 31,028	\$ 31,881	\$ 32,758	\$ 33,659	\$ 34,585	\$ 35,536	\$ 36,513	\$ 37,517
1-Time Amenity Fee (45% ann turnover)	\$ 200.00	\$ 10,412	\$ 20,160	\$ 21,682	\$ 22,279	\$ 22,891	\$ 23,521	\$ 24,168	\$ 24,832	\$ 25,515	\$ 26,217	\$ 26,938
Other Misc Income		\$ 19,000	\$ 100,000	\$ 102,750	\$ 105,576	\$ 108,479	\$ 111,462	\$ 114,527	\$ 117,677	\$ 120,913	\$ 124,238	\$ 127,655
Parking	\$ 135.00	\$ 221,738	\$ 441,133	\$ 474,444	\$ 487,491	\$ 500,897	\$ 514,672	\$ 528,826	\$ 543,368	\$ 558,311	\$ 573,664	\$ 589,440
Retail	\$ 1.83	\$ 59,400	\$ 61,034	\$ 62,712	\$ 64,436	\$ 66,209	\$ 68,029	\$ 69,900	\$ 71,822	\$ 73,797	\$ 75,827	\$ 77,912
Total Rental Revenue		\$ 3,125,992	\$ 6,222,695	\$ 6,684,864	\$ 6,868,697	\$ 7,057,587	\$ 7,251,670	\$ 7,451,091	\$ 7,655,996	\$ 7,866,536	\$ 8,082,866	\$ 8,305,145
Operating Expenses												
Apartments		\$ (679,766)	\$ (913,948)	\$ (975,789)	\$ (995,305)	\$ (1,015,211)	\$ (1,035,515)	\$ (1,056,225)	\$ (1,077,350)	\$ (1,098,897)	\$ (1,120,875)	\$ (1,143,292)
Parking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fixed Expenses												
Apartments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses		\$ (679,766)	\$ (913,948)	\$ (975,789)	\$ (995,305)	\$ (1,015,211)	\$ (1,035,515)	\$ (1,056,225)	\$ (1,077,350)	\$ (1,098,897)	\$ (1,120,875)	\$ (1,143,292)
Annual Real Estate Taxes												
Apartments	\$ 3,348.21	\$ (356,250)	\$ (726,750)	\$ (741,285)	\$ (756,111)	\$ (771,233)	\$ (786,658)	\$ (802,391)	\$ (818,439)	\$ (834,807)	\$ (851,503)	\$ (868,534)
Total Annual Real Estate Taxes		\$ (356,250)	\$ (726,750)	\$ (741,285)	\$ (756,111)	\$ (771,233)	\$ (786,658)	\$ (802,391)	\$ (818,439)	\$ (834,807)	\$ (851,503)	\$ (868,534)
Net Operating Income (NOI)		\$ 2,089,976	\$ 4,581,997	\$ 4,967,790	\$ 5,117,282	\$ 5,271,143	\$ 5,429,498	\$ 5,592,475	\$ 5,760,208	\$ 5,932,832	\$ 6,110,488	\$ 6,293,319
Less Reserves	\$ 350.00	\$ (78,400)	\$ (79,968)	\$ (81,567)	\$ (83,199)	\$ (84,863)	\$ (86,560)	\$ (88,291)	\$ (90,057)	\$ (91,858)	\$ (93,695)	\$ (95,569)
Cash Flow After Reserves		\$ 2,011,576	\$ 4,502,029	\$ 4,886,222	\$ 5,034,083	\$ 5,186,280	\$ 5,342,938	\$ 5,504,184	\$ 5,670,151	\$ 5,840,974	\$ 6,016,792	\$ 6,197,750

Source: Bookends North, LLC and S. B. Friedman & Company

City of Milwaukee

Bookends Loan Analysis

Table 3: Cash Flow and Returns Analysis

DRAFT

	Year 0 2009	Const Yr 1 2010	Const Yr 2 2011	Year 1 2012	Year 2 2013	Year 3 2014	Year 4 2015	Year 5 2016	Year 6 2017	Year 7 2018	Year 8 2019	Year 9 2020	Year 10 2021	Total
SOURCES														
NOI (less Reserves)				\$ 2,011,576	\$ 4,502,029	\$ 4,886,222	\$ 5,034,083	\$ 5,186,280	\$ 5,342,938	\$ 5,504,184	\$ 5,670,151	\$ 5,840,974	\$ 6,016,792	\$ 49,995,229
Payout of Operating Shortfall Reserve				\$ 2,115,733										\$ 2,115,733
Reversion													\$ 80,157,562	\$ 80,157,562
TOTAL			\$ -	\$ 4,127,309	\$ 4,502,029	\$ 4,886,222	\$ 5,034,083	\$ 5,186,280	\$ 5,342,938	\$ 5,504,184	\$ 5,670,151	\$ 5,840,974	\$ 86,174,354	\$ 132,268,524
USES														
Debt Service- Senior Loan	\$ 51,750,000			\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 3,758,538	\$ 37,585,378
Mortgage Insurance Premium	0.45%			\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875	\$ 232,875
Interest Payment Excl MIP	6.25%			\$ 3,234,375	\$ 3,232,858	\$ 3,231,333	\$ 3,229,800	\$ 3,228,259	\$ 3,226,710	\$ 3,225,153	\$ 3,223,588	\$ 3,222,014	\$ 3,220,433	\$ 32,204,433
Principal Payment	40			\$ 291,288	\$ 292,805	\$ 294,330	\$ 295,863	\$ 297,404	\$ 298,953	\$ 300,510	\$ 302,075	\$ 303,648	\$ 305,230	\$ 3,052,330
Prepayment													\$ 48,767,895	\$ 48,767,895
Cash Available to Repay Subordinate, Unsecured Loan		\$ -	\$ -	\$ 368,771	\$ 743,491	\$ 1,127,685	\$ 1,275,545	\$ 1,427,742	\$ 1,584,400	\$ 1,745,646	\$ 1,911,613	\$ 2,082,436	\$ 33,647,921	
Interest Due	\$ 3,448,750	\$ 310,387	\$ 338,322	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 4,026,036
Interest Payment	9.00%	\$ -	\$ -	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 368,771	\$ 3,687,771
Principal Payment				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,097,460
Interest Accrual		\$ 310,387	\$ 338,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outstanding Balance at Year End		\$ 3,759,137	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ 4,097,460	\$ -	\$ -
Cash Available to Pay City Guarantee/LC Fee		\$ -	\$ -	\$ -	\$ 374,720	\$ 758,913	\$ 906,774	\$ 1,058,971	\$ 1,215,629	\$ 1,376,875	\$ 1,542,842	\$ 1,713,665	\$ 29,181,690	
Guarantee Fee Due	4% \$ 3,448,750				\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ 1,379,500
Guarantee Fee Paid					\$ 137,950	\$ 137,950	\$ 137,950	\$ 137,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Balance					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Distributable Cash		\$ -	\$ -	\$ -	\$ 236,770	\$ 620,963	\$ 768,824	\$ 921,021	\$ 1,215,629	\$ 1,376,875	\$ 1,542,842	\$ 1,713,665	\$ 29,181,690	\$ 37,578,278
TOTAL		\$ -	\$ -	\$ -	\$ 236,770	\$ 620,963	\$ 768,824	\$ 921,021	\$ 1,215,629	\$ 1,376,875	\$ 1,542,842	\$ 1,713,665	\$ 29,181,690	\$ 37,578,278
Annual Debt Coverage (Senior Loan)				0.54	1.20	1.30	1.34	1.38	1.42	1.46	1.51	1.55	1.60	
Annual Debt Coverage (Aggregate)				0.49	1.06	1.15	1.18	1.22						
Leveraged Cash Flow														
Equity Contributions	FUNDED w/	\$ (3,804,141)	\$ (1,204,141)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,008,281)
Equity Distributions	PREDEV LOAN	\$ -	\$ -	\$ -	\$ 236,770	\$ 620,963	\$ 768,824	\$ 921,021	\$ 1,215,629	\$ 1,376,875	\$ 1,542,842	\$ 1,713,665	\$ 29,181,690	\$ 37,578,278
TOTAL	\$ -	\$ (3,804,141)	\$ (1,204,141)	\$ -	\$ 236,770	\$ 620,963	\$ 768,824	\$ 921,021	\$ 1,215,629	\$ 1,376,875	\$ 1,542,842	\$ 1,713,665	\$ 29,181,690	\$ 32,569,997
Annual Cash-on-Cash Return				0.0%	4.7%	12.4%	15.4%	18.4%	24.3%	27.5%	30.8%	34.2%		
Leveraged IRR				23.4%										
Unleveraged Cash Flow														
NOI				\$ 2,011,576	\$ 4,502,029	\$ 4,886,222	\$ 5,034,083	\$ 5,186,280	\$ 5,342,938	\$ 5,504,184	\$ 5,670,151	\$ 5,840,974	\$ 6,016,792	\$ 49,995,229
Reversion Proceeds			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,157,562	\$ 80,157,562
Total Project Costs			\$ (60,207,031)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (60,207,031)
TOTAL			\$ (60,207,031)	\$ 2,011,576	\$ 4,502,029	\$ 4,886,222	\$ 5,034,083	\$ 5,186,280	\$ 5,342,938	\$ 5,504,184	\$ 5,670,151	\$ 5,840,974	\$ 86,174,354	\$ 69,945,759
Annual Yield on Cost				3.3%	7.5%	8.1%	8.4%	8.6%	8.9%	9.1%	9.4%	9.7%	10.0%	
Unleveraged IRR				10.0%										

Source: Bookends North, LLC and S. B. Friedman & Company

Reversion Calculations

11th Year NOI	\$ 6,197,750
Terminal Cap Rate	7.5%
Terminal Value	\$ 82,636,661
Cost of Sale @	3.0% \$ (2,479,100)
Net Reversion Proceeds	\$ 80,157,562

3. Incremental Property Tax Revenues

The City of Milwaukee proposes to create a TID to support the City Guarantee for the Bookends Project. Unlike typical TIDs in Milwaukee, this TID would be a contingent mechanism to provide protection to the City's general fund if the guarantee needs to be funded, rather than a vehicle to allow for up-front borrowing to support the Project. The proposed mechanics for the TID are as follows:

- In years where the City Guarantee has not been called upon, the City intends to distribute the property tax revenues from the Project to the five taxing jurisdictions whose levies affect the Project site.
- If the Guarantee is never called upon, the City would not issue TID debt, and instead would dissolve the District at the time the Guarantee expires.
- If the Guarantee is called, the City would have the option to issue TID-backed debt, whether in the form of full faith and credit-backed bonds or revenue bonds, to fund the City's obligation.

In order to evaluate the revenue source for the City Guarantee and the time frame of repayment, *SBFCo* projected future incremental property tax revenues to be generated by the proposed Bookends project. These projected revenues were then used to estimate the time frame for amortization of the associated TID-supported funding of the City Guarantee.

TID Projection Assumptions and Methodology

Table 4 on the following page shows *SBFCo*'s projections of incremental property taxes for the proposed TID. These projections indicate total undiscounted tax collections of about **\$19.7 million** between 2009 and 2036.

The key assumptions and methods used to develop these projections are described below.

- **Sources of TID Revenue.** The proposed TID would include the three taxkeys that make up the development site of the Project. The proposed Bookends project will generate tax increment through its 224 apartments, 3,000 square feet of retail, and associated parking.
- **Timing of Assessments.** The Developer does not expect to begin lease-up until the Project is completed in 2012. This timeframe means that the Project is expected to be partially assessed in 2012 and 2013. For the purposes of calculating TID revenues, *SBFCo* used conservative phasing/timing assumptions—specifically that the project's assessed value each year would reflect the occupancy level from the prior year. Under this framework, the first year of new assessed value would be 2013, following the partial occupancy of the Project in 2012. Full stabilized value would be achieved in 2015, following stabilization of the property in 2014.

City of Milwaukee
Proposed Bookends Project
Table 4: TID Revenue Projections

DRAFT

TID Year	Assmt Year	Inflation Factor	Frozen Base AV	Inflated Value	New Value Additions			Cumulative Additions	Incremental AV	Property Tax Rate	Annual Incremental Tax Revenue
					Apartments	Retail	Total				
1	2009	1.00	\$ 1,206,734	\$ 1,206,734	\$ -	\$ -	\$ -	\$ -	\$ -	2.51%	
2	2010	1.02	\$ 1,206,734	\$ 1,224,835	\$ -	\$ -	\$ -	\$ -	\$ 18,101	2.46%	
3	2011	1.03	\$ 1,206,734	\$ 1,243,207	\$ -	\$ -	\$ -	\$ -	\$ 36,474	2.42%	\$ 446
4	2012	1.05	\$ 1,206,734	\$ 1,261,855	\$ -	\$ -	\$ -	\$ -	\$ 55,122	2.39%	\$ 884
5	2013	1.06	\$ 1,206,734	\$ 1,280,783	\$ 17,361,361	\$ 398,011	\$ 17,759,372	\$ 17,759,372	\$ 17,833,422	2.35%	\$ 1,315
6	2014	1.08	\$ 1,206,734	\$ 1,299,995	\$ 16,496,987	\$ -	\$ 16,496,987	\$ 34,522,749	\$ 34,616,011	2.31%	\$ 418,495
7	2015	1.09	\$ 1,206,734	\$ 1,319,495	\$ 1,522,222	\$ -	\$ 1,522,222	\$ 36,562,813	\$ 36,675,574	2.27%	\$ 799,181
8	2016	1.11	\$ 1,206,734	\$ 1,339,287	\$ -	\$ -	\$ -	\$ 37,111,255	\$ 37,243,808	2.23%	\$ 833,023
9	2017	1.13	\$ 1,206,734	\$ 1,359,376	\$ -	\$ -	\$ -	\$ 37,667,924	\$ 37,820,566	2.20%	\$ 832,236
10	2018	1.14	\$ 1,206,734	\$ 1,379,767	\$ -	\$ -	\$ -	\$ 38,232,942	\$ 38,405,976	2.16%	\$ 831,443
11	2019	1.16	\$ 1,206,734	\$ 1,400,463	\$ -	\$ -	\$ -	\$ 38,806,437	\$ 39,000,167	2.13%	\$ 830,645
12	2020	1.18	\$ 1,206,734	\$ 1,421,470	\$ -	\$ -	\$ -	\$ 39,388,533	\$ 39,603,270	2.09%	\$ 829,841
13	2021	1.20	\$ 1,206,734	\$ 1,442,793	\$ -	\$ -	\$ -	\$ 39,979,361	\$ 40,215,420	2.06%	\$ 829,033
14	2022	1.21	\$ 1,206,734	\$ 1,464,434	\$ -	\$ -	\$ -	\$ 40,579,052	\$ 40,836,752	2.03%	\$ 828,219
15	2023	1.23	\$ 1,206,734	\$ 1,486,401	\$ -	\$ -	\$ -	\$ 41,187,737	\$ 41,467,405	2.00%	\$ 827,401
16	2024	1.25	\$ 1,206,734	\$ 1,508,697	\$ -	\$ -	\$ -	\$ 41,805,553	\$ 42,107,517	2.00%	\$ 829,348
17	2025	1.27	\$ 1,206,734	\$ 1,531,327	\$ -	\$ -	\$ -	\$ 42,432,637	\$ 42,757,231	2.00%	\$ 842,150
18	2026	1.29	\$ 1,206,734	\$ 1,554,297	\$ -	\$ -	\$ -	\$ 43,069,126	\$ 43,416,690	2.00%	\$ 855,145
19	2027	1.31	\$ 1,206,734	\$ 1,577,612	\$ -	\$ -	\$ -	\$ 43,715,163	\$ 44,086,041	2.00%	\$ 868,334
20	2028	1.33	\$ 1,206,734	\$ 1,601,276	\$ -	\$ -	\$ -	\$ 44,370,891	\$ 44,765,433	2.00%	\$ 881,721
21	2029	1.35	\$ 1,206,734	\$ 1,625,295	\$ -	\$ -	\$ -	\$ 45,036,454	\$ 45,455,015	2.00%	\$ 895,309
22	2030	1.37	\$ 1,206,734	\$ 1,649,674	\$ -	\$ -	\$ -	\$ 45,712,001	\$ 46,154,942	2.00%	\$ 909,100
23	2031	1.39	\$ 1,206,734	\$ 1,674,420	\$ -	\$ -	\$ -	\$ 46,397,681	\$ 46,865,367	2.00%	\$ 923,099
24	2032	1.41	\$ 1,206,734	\$ 1,699,536	\$ -	\$ -	\$ -	\$ 47,093,646	\$ 47,586,448	2.00%	\$ 937,307
25	2033	1.43	\$ 1,206,734	\$ 1,725,029	\$ -	\$ -	\$ -	\$ 47,800,051	\$ 48,318,346	2.00%	\$ 951,729
26	2034	1.45	\$ 1,206,734	\$ 1,750,904	\$ -	\$ -	\$ -	\$ 48,517,051	\$ 49,061,222	2.00%	\$ 966,367
27	2035	1.47	\$ 1,206,734	\$ 1,777,168	\$ -	\$ -	\$ -	\$ 49,244,807	\$ 49,815,242	2.00%	\$ 981,224
	2036	Collections for TID Year 27									\$ 996,305
Total Proceeds, 2009-2036 (Not Discounted)											\$ 19,699,300

Note: These projections are based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those shown here and the variations may be material.

This conservative methodology is likely to represent a slightly slower phase-in of value than will actually occur, and assumes a substantially slower phase-in of property taxes than that carried in the financial pro forma.

- **Tax Rate.** Our analysis considered historical trends in the overall City of Milwaukee property tax rate over the past 5, 10, 15, and 20-year periods. The tax rate has trended downward over all of these analysis periods at compound annual rates ranging from about 1.4% (20-year history) to 3.6% (10-year history). For our analysis, *SBFCo* assumed a 2009 tax rate equal to the Assessor's estimate of 2.505% (\$25.05 per \$1,000 of value) and a subsequent annual decline in rate of 1.62%, the compound annual rate of decline for the past 10 years. This decline is assumed to continue through 2023, beyond which point the rate is assumed to remain level at 2%.
- **Base Value.** Because the TID is likely to be created late in the calendar year, it is our understanding that the 2010 assessed value of the property would be set as the base value. *SBFCo* therefore assumed a base value of 101.5% of 2009 value, or about \$1.2 million.
- **Valuation Approach.** The following assumptions and methodologies were used to project future property valuations for the purposes of estimating TID revenue:
 - Apartment Valuation: *SBFCo* based assumptions on valuation methodology and levels on conversations recently held with the City Assessor's Office regarding the proposed Moderne project in the Park East TID. Based on the Assessor's comments, *SBFCo* believes a similar approach would be used for valuation on the Bookends project. The Assessor's office indicated it would likely take an income approach to valuation of the property, but might base its value on prevailing area rents, as opposed to specific operating results from the property. Specifically, the Assessor suggested rents of \$1.65 per square foot might be used. This income would then be translated into building value using assumptions such as operating expenses (excluding property tax) equal to 35% of revenues, a 5% vacancy rate, and a cap rate of between 6% and 7%. *SBFCo* assumed a 6.5% cap rate, and added 2.3% to reflect the approximate average property tax rate the Project might experience over the bulk of the TID projection period to result in a "tax-loaded cap rate." In turn, these calculations yield an anticipated building valuation of approximately \$139 per square foot. Assessor data on building square footages for other Downtown apartment projects is limited, so *SBFCo* reviewed data on valuation per unit to benchmark the above assumption. This value falls toward the upper end of observed ranges, but below the highest observed values of \$165/unit for the Franklin at East Pointe. Given the Bookends project's higher pro forma rents of \$2.09 per square foot per month as compared to the Franklin's current values in the \$1.50 range, the \$139/sf Bookends valuation assumption appears reasonable.
 - Retail Valuation: Consistent with assumptions used in prior TID projections for Downtown Milwaukee projects, *SBFCo* assumed a value of \$125 per square foot for retail space.

- **Parking Structure Valuation:** Although the parking portion of the Bookends project will be leased separately from the apartments and would itself generate additional net operating income, *SBFCo* did not attribute additional TID value to this component. This reflects the fact that available apartment tax comparables frequently do not have separate taxkeys from their associated parking. Therefore, the stated apartment valuation above includes any additional value that may be attributed to parking.
- **Property Value Growth.** *SBFCo*'s projections assume 1.5% annual growth in real property assessments for all properties included in the TID projection.

Projected Amortization of TID Debt

SBFCo evaluated the time frame over which the total City Guarantee, if funded, could be amortized using the available sources of TID revenue. This analysis is presented in **Table 5**. This analysis presents the scenario under which the Guarantee would cause the greatest stress on the TID—specifically:

- Guarantee is called in its final year (early 2017) and City bonds are issued in 2017
- All TID revenues collected prior to 2017 are distributed to the taxing bodies, rather than being accrued as a TID fund balance for the payment of the City obligation

METHODOLOGY

These projections replicate the issuance of one or more bonds to support the City Guarantee and are based on the following key assumptions:

- **Bond Interest Rates.** *SBFCo* assumed an interest rate of 4.5% on the bonds, reflective of the City's approximate cost of funds frequently used for TID feasibility analysis.
- **Term, Target Debt Service, and Carry Costs.** Reflecting discussions with the Office of the City Comptroller, the projections assume two years of interest-only payments, followed by fifteen years of level principal and interest payments. The interest-only payments in the first two years of the financing are equal to the size of the assumed capitalized interest reserve, less available fund balances at the time of issuance.

For the fifteen level payment years following the interest-only period, a "TID Annual Debt Service Target" is defined. This amount is equal to the annual level-payment debt service on a 15-year amortization of the total bond issue. In each of the 15 amortization years, this Annual Debt Service Target is compared to the available TID revenue. Any shortfalls relative to this target are accrued and carry a 4% annual interest charge until they are repaid. Any surpluses versus the target are used to pay down the accumulated shortfalls.

City of Milwaukee
Proposed Bookends Project
Table 5: TID Amortization

DRAFT

Bonding

Interest Rate on Bonds	4.50%
Cost of Funds (Local Government Investment Pool)	4.00%
Issuance Costs @	1.00%
Capitalized Interest Allowance @	10.00%
Assumed Level P&I Payments	15

Funding Structure

	Assumed Year	Amount	Plus Issuance Costs	Capitalized Interest	Total Issuance
Assumed Bonding	2017	\$ 3,448,750	\$ 34,487	\$ 387,026	\$ 3,870,264

TID Year	Calendar Year	Projected Incremental Property Taxes	New Debt Service				TID Payoff Analysis						
			TID-Backed Bonds Issued	TID Annual Debt Service Target Payments	Principal Payment	Interest Payment	Ending Principal Balance	Annual Surplus/ (Shortfall)	Distributions to Taxing Bodies	Cumulative Fund Balance	Interest Earnings/ (Carry Cost) on Cuml. Balance	TID Debt Retired	TID Could Repay Outstanding Princ.
1	2009	\$ -	\$ -					\$ -	\$ -	\$ -	\$ -		
2	2010	\$ -	\$ -					\$ -	\$ -	\$ -	\$ -		
3	2011	\$ 446	\$ -					\$ 446	\$ 446	\$ -	\$ -		
4	2012	\$ 884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 884	\$ 884	\$ -	\$ -		
5	2013	\$ 1,315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,315	\$ 1,315	\$ -	\$ -		
6	2014	\$ 418,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 418,495	\$ 418,495	\$ -	\$ -		
7	2015	\$ 799,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 799,181	\$ 799,181	\$ -	\$ -		
8	2016	\$ 833,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 833,023	\$ 833,023	\$ -	\$ -		
9	2017	\$ 832,236	\$ 3,870,264	\$ -	\$ -	\$ -	\$ 3,870,264	\$ 832,236	\$ -	\$ 832,236	\$ 33,289		NO
10	2018	\$ 831,443	\$ -	\$ -	\$ -	\$ -	\$ 3,870,264	\$ 831,443	\$ -	\$ 1,696,968	\$ 67,879		NO
11	2019	\$ 830,645	\$ -	\$ -	\$ -	\$ -	\$ 3,870,264	\$ 830,645	\$ -	\$ 2,595,491	\$ 103,820		NO
12	2020	\$ 829,841	\$ -	\$ 360,375	\$ (186,213)	\$ (174,162)	\$ 3,684,050	\$ 469,466	\$ -	\$ 3,168,777	\$ 126,751	NO	NO
13	2021	\$ 829,033	\$ -	\$ 360,375	\$ (194,593)	\$ (165,782)	\$ 3,489,458	\$ 468,658	\$ -	\$ 3,764,186	\$ 150,567	NO	YES
14	2022	\$ 828,219	\$ -	\$ 360,375	\$ (203,349)	\$ (157,026)	\$ 3,286,108	\$ 467,844	\$ -	\$ 4,382,598	\$ 175,304	NO	YES
15	2023	\$ 827,401	\$ -	\$ 360,375	\$ (212,500)	\$ (147,875)	\$ 3,073,608	\$ 467,026	\$ -	\$ 5,024,928	\$ 200,997	NO	YES
16	2024	\$ 829,348	\$ -	\$ 360,375	\$ (222,063)	\$ (138,312)	\$ 2,851,546	\$ 468,973	\$ -	\$ 5,694,898	\$ 227,796	NO	YES
17	2025	\$ 842,150	\$ -	\$ 360,375	\$ (232,055)	\$ (128,320)	\$ 2,619,490	\$ 481,775	\$ -	\$ 6,404,469	\$ 256,179	NO	YES
18	2026	\$ 855,145	\$ -	\$ 360,375	\$ (242,498)	\$ (117,877)	\$ 2,376,992	\$ 494,770	\$ -	\$ 7,155,418	\$ 286,217	NO	YES
19	2027	\$ 868,334	\$ -	\$ 360,375	\$ (253,410)	\$ (106,965)	\$ 2,123,582	\$ 507,959	\$ -	\$ 7,949,593	\$ 317,984	NO	YES
20	2028	\$ 881,721	\$ -	\$ 360,375	\$ (264,814)	\$ (95,561)	\$ 1,858,768	\$ 521,346	\$ -	\$ 8,788,923	\$ 351,557	NO	YES
21	2029	\$ 895,309	\$ -	\$ 360,375	\$ (276,730)	\$ (83,645)	\$ 1,582,038	\$ 534,934	\$ -	\$ 9,675,413	\$ 387,017	NO	YES
22	2030	\$ 909,100	\$ -	\$ 360,375	\$ (289,183)	\$ (71,192)	\$ 1,292,855	\$ 548,725	\$ -	\$ 10,611,155	\$ 424,446	NO	YES
23	2031	\$ 923,099	\$ -	\$ 360,375	\$ (302,197)	\$ (58,178)	\$ 990,658	\$ 562,724	\$ -	\$ 11,598,325	\$ 463,933	NO	YES
24	2032	\$ 937,307	\$ -	\$ 360,375	\$ (315,795)	\$ (44,580)	\$ 674,863	\$ 576,932	\$ -	\$ 12,639,191	\$ 505,568	NO	YES
25	2033	\$ 951,729	\$ -	\$ 360,375	\$ (330,006)	\$ (30,369)	\$ 344,856	\$ 591,354	\$ -	\$ 13,736,112	\$ 549,444	NO	YES
26	2034	\$ 966,367	\$ -	\$ 360,375	\$ (344,856)	\$ (15,519)	\$ (0)	\$ 605,992	\$ -	\$ 14,891,549	\$ 595,662	NO	YES
27	2035	\$ 981,224	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ 981,224	\$ -	\$ 16,468,435	\$ 658,737	YES	YES
	2036	\$ 996,305	\$ -	\$ -	\$ -	\$ -	\$ (0)	\$ 996,305	\$ -	\$ 18,123,477	\$ 724,939	YES	YES
TOTALS		\$ 19,699,300	\$ 3,870,264	\$ 5,405,625	\$ (3,870,264)	\$ (1,535,361)		\$ 14,293,676	\$ 2,053,345		\$ 6,608,086		

Note: These projections are based on estimates, assumptions, and other information developed from research of the market, knowledge of the industry, and meetings during which we obtained certain information. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will necessarily vary from those shown here and the variations may be material.

- **Issuance Costs.** *SBFCo* assumed an issuance cost of 1.00% for City bonds.

Based on these amortization assumptions and the underlying TID projection assumptions, *SBFCo* projects that the City Guarantee bonded amount would be amortized well within the life of the TID. If the City Guarantee were funded in 2017, the bonded amount could be amortized by 2021-the 13th year of the TID. It should also be noted that in this analysis, five years of property taxes are required to repay the City's bond issuance, while the balance are distributed to the five underlying taxing jurisdictions.

DRAFT

Appendix: Construction Cost Review Summary

DRAFT



The Concord Group

Construction Consultants

ESTIMATE REVIEW COMMENTS

FOR

THE BOOKENDS SCHEMATIC DESIGN ESTIMATE

Prepared For:
S. B. Friedman
221 North LaSalle Street
Suite 820
Chicago, IL 60601

Prepared By:
The Concord Group
161 North Clark Street
Suite 2050
Chicago, IL 60601

Date Prepared:
October 15, 2009

OVERVIEW

For the initial review we undertook the following:

- (1) Reviewed KBS's Schematic Design Estimate provided to us by S. B. Friedman & Company.
- (2) Reviewed the schematic design drawings and associated schematic design narrative to understand the scope of the project.
- (3) Performed take-off of some major project components, such as exterior envelope, structural concrete suspended slabs and interior finishes and major components of MEP systems. These quantities were then priced to reflect current market conditions and a comparative estimate was developed and compared with the KBS estimate. (See attached estimate and comparison)
- (4) Compared cost/SF and unit costs with pricing for recent projects of similar scope.

COMMENTS

In summary, the following are our comments and recommendations based on our initial review of the documents:

- (1) In general the contractor's estimated cost of \$43,364,442 (\$105/sqft) seems reasonable in comparison with our estimated cost of \$45,736,793 (\$111/sqft). It is likely the current market conditions are having a favorable impact on the major trades that will be utilized in a project of this nature. We are seeing similar competitive bidding for other comparable projects in Milwaukee. The contractor appears to have included all of the scope in their estimate, and we feel confident that the contractor can complete this project within the estimated total cost as long as the current bidding environment continues to stay competitive.
- (2) There appears to be a disparity between the architect's, contractor's and our gross floor area of the building. The contractor uses a GFA of 453,318. The architect uses a GFA of 394,965. Our GFA was calculated at 410,794. We feel that our GFA calculations are accurate, as we have both manually and digitally completed a take off on the drawings provided to us which includes the ground floor, parking levels 2-5, mechanical mezzanine and residential floors 6-19.

- (3) The contractor does not show on their breakdown a percentage cost for design contingency. We have included a design contingency of 3% totaling \$1,332,140, which we feel is an appropriate cost at this point in time. We are assuming that the contractor's estimate includes sufficient design contingency in the line item pricing.
- (4) We received two cost breakdowns from KBS. One is dated 9/23/09, which was a more general breakdown with costs for broad items within the divisions of labor. The other is dated 10/7/09 and is a more detailed breakdown of costs. Some of the divisions of labor do not add up with one another and it looks as if kitchen cabinetry was counted twice, once in Finish Carpentry (Division 6) and again in Equipment (Division 11). This appears to be the explanation as to why our cost for Equipment is much lower than that of KBS.
- (5) The overall cost for site construction appears to be low and should be verified.
- (6) The overall cost for finishes appears to be low and should be verified. Specifically, we feel that the contractor's cost for painting is low.
- (7) The overall cost for thermal and moisture protection appears to be high and should be verified. Specifically, the contractor has approximately 4,500 sq ft more metal panel cladding than we estimate.

RECOMMENDATIONS

- (1) Both the architect and the contractor should review and confirm the gross floor area measurement. This is important at this point in the design, as it is likely that some of the major systems are currently being priced on a gross floor area basis.
- (2) Request that design contingency be broken out as a separate line item, if it was included in the contractor's estimate.
- (3) Request a response to our comments (1) through (7) above. Where items are to be verified, a general review of pricing for accuracy and feasibility should be completed.
- (4) We would also suggest that the general contractor provide any detailed subcontractor pricing that they've received to date for this project, for review.

SD Estimate
October 15, 2009Bookends SD 10-15-09.xls



	Description	Quantity	Unit	Unit Cost	Subtotal	Total
02000	SITE CONSTRUCTION					
	Demolition:					
	Building & Site demolition allowance	1	LS	60,000	\$60,000	
	Subtotal					\$60,000
	Paving:					
	Curb & gutter	400	LF	20	\$8,000	
	Concrete entrance drives & curb cuts	2	EA	3,000	\$6,000	
	Concrete sidewalk, 5"	3,850	SF	5	\$19,250	
	Roadway paving patching at new curbs	1	LS	6,000	\$6,000	
	Subtotal					\$39,250
	Excavation:					
	Excavation and haul off for foundations	7,308	CY	34	\$248,472	
	Backfill with imported material	4,266	CY	32	\$136,512	
	Subtotal					\$384,984
	Special Foundations:					
	Earth retention	3,500	SF	35	\$122,500	
	Dewatering allowance	1	LS	2,500	\$2,500	
	Subtotal					\$125,000
	Site Development:					
	Landscaping allowance	1	LS	30,000	\$30,000	
	Subtotal					\$30,000
	Site Utilities:					
	Storm piping including connections, trenching, patching, etc.	1	LS	25,000	\$25,000	
	Catch basins	1	LS	15,000	\$15,000	
	Sanitary piping including connections, trenching, patching, etc.	1	LS	10,000	\$10,000	
	Water piping including connections, trenching, patching, etc.	1	LS	10,000	\$10,000	
	Subtotal					\$60,000
02000	TOTAL: SITE CONSTRUCTION					\$699,234
03000	CONCRETE					
	Structural Concrete:					
	Post-tensioned concrete slab, beams, and columns	410,794	SF	23	\$9,448,262	
	Concrete cast-in-place stairs at parking lots	1	EA	2,500	\$2,500	
	Concrete shear wall for elevator	13,930	SF	45	\$626,850	
	Concrete ramp at ground floor corridors	194	SF	25	\$4,850	
	Subtotal					\$10,082,462
	Standard Foundations:					
	Mat Foundation, 4'-0"	1,177	CY	400	\$470,800	
	Mat Foundation, 5'-6"	587	CY	410	\$240,670	
	Foundation wall, 12" thick w/ 2" insulation	159	CY	550	\$87,450	
	Concrete footings w/ bar reinforcing	1,119	CY	395	\$442,005	
	Slab-on-grade, 5" on compacted fill	22,475	SF	5.50	\$123,613	
	Subtotal					\$1,364,538
	Precast Concrete:					
	Pre-cast insulated concrete panels	29,110	SF	35	\$1,018,850	
	Colored precast band at building base	250	LF	125	\$31,250	
	Subtotal					\$1,050,100
03000	TOTAL: CONCRETE					\$12,497,100



	Description	Quantity	Unit	Unit Cost	Subtotal	Total
04000	MASONRY					
	Exterior Masonry:					
	Brick veneer	86,363	SF	25	\$2,159,075	
	Subtotal					\$2,159,075
	Interior Masonry:					
	Partitions, CMU	20,328	SF	14	\$284,592	
	Countertops - granite	3,808	LF	115	\$437,920	
	Bathroom countertop	280	EA	250	\$70,000	
	Bathroom countertop, double	28	EA	500	\$14,000	
	Subtotal					\$806,512
04000	TOTAL: MASONRY					\$2,965,587
05000	METALS					
	Structural Steel:					
	Miscellaneous structural steel lintels, angles, channels, etc.	410,794	SF	1.25	\$513,493	
	Subtotal					\$513,493
	Miscellaneous Metals:					
	Aluminum balcony railings w/ glass	5,586	LF	150	\$837,900	
	Steel bollards at overhead doors and parking areas	27	EA	725	\$19,575	
	Subtotal					\$857,475
	Stairs:					
	Metal Stairs with railings per 2 flights & 1 landing	19	EA	18,900	\$359,100	
	Paint stairs	19	EA	700	\$13,300	
	Ships ladder from 19th floor to roof	1	EA	1,500	\$1,500	
	Elevator pit ladders	3	EA	900	\$2,700	
	Subtotal					\$376,600
05000	TOTAL: METALS					\$1,747,568
06000	WOODS & PLASTICS					
	Rough Carpentry:					
	Miscellaneous wood blocking	410,794	SF	0.75	\$308,096	
	Subtotal					\$308,096
	Millwork:					
	Closet systems	182	EA	750	\$136,500	
	Miscellaneous trim, casings, etc	285,460	SF	0.50	\$142,730	
	Subtotal					\$279,230
	Fixed Cabinetry:					
	Condos:					
	Wall and base cabinets (in common area as well)	6,664	LF	100	\$666,400	
	Shelving & pole	3,024	LF	16	\$48,384	
	Bathroom vanities	280	EA	250	\$70,000	
	Bathroom vanities, double	28	EA	500	\$14,000	
	Subtotal					\$798,784
06000	TOTAL: WOODS & PLASTICS					\$1,386,110
07000	THERMAL & MOISTURE PROTECTION					
	Metal Panel:					
	Metal panel system w/ glass	7,569	SF	29	\$219,501	
	Metal panel cladding for canopy soffit and fascia	825	SF	15	\$12,375	
	Subtotal					\$231,876



	Description	Quantity	Unit	Unit Cost	Subtotal	Total
	Roofing:					
	Roofing including pavers, penetrations, flashings, etc.	24,663	SF	18	\$443,934	
	Subtotal					\$443,934
	Caulking & Sealants:					
	Air & water barrier at exterior wall	106,860	SF	2.50	\$267,150	
	Miscellaneous caulking, sealants, firestopping, etc.	410,794	SF	0.20	\$82,159	
	Subtotal					\$349,309
07000	TOTAL: THERMAL & MOISTURE PROTECTION					\$1,025,119
08000	DOORS & WINDOWS					
	Exterior Windows					
	Aluminum curtainwall	816	SF	150	\$122,400	
	Aluminum windows	12,060	SF	63	\$759,780	
	Aluminum storefront	1,760	SF	55	\$96,800	
	Subtotal					\$978,980
	Exterior Doors					
	Aluminum doors (glazed) with frames and hardware:					
	- Double	7	EA	6,000	\$42,000	
	- Single	3	EA	3,000	\$9,000	
	Balcony entry doors:					
	- Double swinging, glass, one fixed door	196	EA	2,500	\$490,000	
	- Single swinging, glass	28	EA	1,500	\$42,000	
	Overhead Doors	2	EA	3,000	\$6,000	
	Card readers	4	EA	1,000	\$4,000	
	Subtotal					\$593,000
	Interior Doors/Glazing					
	Hollow metal doors w/ HM frames and hardware	32	EA	1,450	\$46,400	
	Solid core wood doors w/ WD frames and hardware	37	EA	1,300	\$48,100	
	Condo entrance door, frame & hardware	224	EA	950	\$212,800	
	Interior door, frame & hardware	1,246	EA	1,000	\$1,246,000	
	Cloest sliding bypass doors - apartments	294	EA	250	\$73,500	
	Subtotal					\$1,626,800
08000	TOTAL: DOORS & WINDOWS					\$3,198,780
09000	FINISHES					
	Gypsum Board:					
	Furring for exterior walls, 6" metal stud w/ 5/8" gypboard and batt insulation	106,860	SF	6.65	\$710,619	
	Partitions, corridor, 6" metal track w/ 3-5/8" metal studs, staggered w/ 6" batt insulation and (1) layer of 5/8" gypboard each side	66,640	SF	6.70	\$446,488	
	Partitions, demising, (2) 3-5/8" metal stud wall w/ batt insulation and 1 layer of 5/8" gypboard each side and between	67,200	SF	9.95	\$668,640	
	Partitions, typical, 3-5/8" metal stud wall w/ 5/8" gypboard	349,282	SF	4.55	\$1,589,233	
	Gypboard ceiling	293,930	SF	3.25	\$955,273	
	Subtotal					\$4,370,253



Description	Quantity	Unit	Unit Cost	Subtotal	Total
Wall Finishes					
Access panels	1	LS	35,000	\$35,000	
Ceramic wall tile	24,584	SF	12	\$295,008	
Ceramic base	4,531	LF	11	\$49,841	
Subtotal					\$379,849
Floor Finishes					
Concrete sealer	3,475	SF	1	\$3,475	
Traffic coating	97,736	SF	1.50	\$146,604	
Ceramic tile - bathrooms	20,748	SF	13	\$269,724	
Ceramic tile - kitchens	9,170	SF	13	\$119,210	
Ceramic tile - common areas	2,652	SF	13	\$34,476	
Ceramic tile - pool deck	1,972	SF	13	\$25,636	
VCT, 12"x12" - trash rooms, storage rooms, washer/dryer closets	8,642	SF	2.20	\$19,012	
Carpet - condos	73,766	SF	3.45	\$254,493	
Carpet - common areas	1,518	SF	4	\$6,072	
Wood flooring with acoustical mat	78,806	SF	6.15	\$484,657	
Rubber tile in exercise room	608	SF	15	\$9,120	
Subtotal					\$1,372,479
Painting:					
Paint gypboard ceiling	292,280	SF	0.50	\$146,140	
Paint concrete ceiling	109,394	SF	0.55	\$60,167	
Paint gypboard partitions	1,073,104	SF	0.52	\$558,014	
Paint concrete/masonry partitions	76,649	SF	0.63	\$48,289	
Epoxy coating in pool room; walls and ceilings, 3 coats	6,834	SF	4	\$27,336	
Painting/staining doors and frames	1,833	EA	85	\$155,805	
Subtotal					\$995,751
09000 TOTAL: FINISHES					\$7,118,331
10000 SPECIALTIES					
Miscellaneous Specialties:					
Toilet accessories - condo bathrooms (to include: toilet paper dispenser, towel bar, hand towel bar, medicine cabinet, mirror, and robe hook)	308	EA	400	\$123,200	
Rod and curtain at bathtubs	98	EA	40	\$3,920	
Glass shower doors	210	EA	450	\$94,500	
Grab bar sets at ADA units and accessible toilet rooms	72	EA	100	\$7,200	
Shower seats at ADA units	70	EA	125	\$8,750	
Men's and women's locker room wire mesh lockers	224	EA	215	\$48,160	
Wall to wall mirror 8'-0" height in exercise room	76	LF	100	\$7,600	
Mailboxes	1	LS	20,000	\$20,000	
Storage lockers in parking areas	224	EA	420	\$94,080	
Interior signage	1	LS	25,000	\$25,000	
Exterior signage	1	LS	10,000	\$10,000	
Subtotal					\$442,410
10000 TOTAL: SPECIALTIES					\$442,410



	Description	Quantity	Unit	Unit Cost	Subtotal	Total
11000	EQUIPMENT					
	Miscellaneous Equipment:					
	Kitchen appliances in condos; includes oven/range, refrigerator, dishwasher and microwave.	224	EA	1,795	\$402,080	
	Washer & dryer units	224	EA	1,000	\$224,000	
	Community room appliances: includes cook top, refrigerator, & microwave	1	LS	2,000	\$2,000	
	Trash chute	199	LF	200	\$39,800	
	Subtotal					\$667,880
11000	TOTAL: EQUIPMENT					\$667,880
12000	FURNISHINGS					
	Window Treatment:					
	Mini blinds	224	EA	200	\$44,800	
	Subtotal					\$44,800
12000	TOTAL: FURNISHINGS					\$44,800
13000	SPECIAL CONSTRUCTION					
	Aquatics:					
	Swimming Pool (per Badger Swim Pools)	1	LS	135,000	\$135,000	
	Whirlpool	1	LS	7,500	\$7,500	
	Subtotal					\$142,500
13000	TOTAL: SPECIAL CONSTRUCTION					\$142,500
14000	CONVEYING SYSTEMS					
	Elevators:					
	Geared traction public passenger elevators, 2500 lbs, 19 stops, 200 fpm	3	EA	271,000	\$813,000	
	Subtotal					\$813,000
14000	TOTAL: CONVEYING SYSTEMS					\$813,000
15000	HVAC					
	HVAC Systems:					
	Heating & Cooling system, floors 1-5	125,334	SF	2.50	\$313,335	
	Heating & Cooling system, floors 6-19	285,460	SF	4.25	\$1,213,205	
	Ventilation system, floors 1-5	125,334	SF	1.75	\$219,335	
	Ventilation system, floors 6-19	285,460	SF	2.50	\$713,650	
	Subtotal					\$2,459,525
15000	TOTAL: HVAC					\$2,459,525
15000	PLUMBING					
	Plumbing Equipment and Specialties:					
	Plumbing Equipment and Specialties allowance	1	LS	200,000	\$200,000	
	Subtotal					\$200,000



SD Estimate
October 15, 2009

16000	TOTAL: ELECTRICAL	\$2,650,984
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SD Estimate
October 15, 2009Bookends SD 10-15-09.xls

CITY OF MILWAUKEE FISCAL NOTE

A) DATE October 22, 2009FILE NUMBER: 090805Original Fiscal Note ☒ Substitute ☐SUBJECT: Substitute resolution approving the terms of a Cooperation and Development Agreement for the property located at 700 East Kilbourn Avenue, 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
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:	This file authorizes loan guarantee assistance to the developer. In the event of default by developer on its obligations to its subordinate lender, the City could potentially be required to repay the developer's subordinate lender up to the original principal amount of the subordinate loan. As such, \$3,450,000 of Contingent Borrowing will be reserved during the term of the loan guarantee to meet this obligation should it become necessary.		\$3,450,000 (plus capitalized interest)		
TOTALS					

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:

The Department intends to propose the creation of a new tax incremental district to provide a backstop funding mechanism in the event of a default and the City loan guarantee is called upon.

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE ☐

NOTICES SENT TO FOR FILE : 090805

[illegible]



Legislation Details (With Text)

File #: 090841 **Version:** 0

Type: Appointment **Status:** In Committee

File created: 10/13/2009 **In control:** ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Reappointment of Georgia Cameron to the Board of Zoning Appeals by the Mayor.

Sponsors: THE CHAIR

Indexes: APPOINTMENTS, BOARD OF ZONING APPEALS

Attachments: Reappointment Letter, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
10/13/2009	0	COMMON COUNCIL	ASSIGNED TO		
10/21/2009	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number

090841

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Reappointment of Georgia Cameron to the Board of Zoning Appeals by the Mayor.

Drafter

Mayor

TB

10/13/09

October 13, 2009

To the Honorable, the Common Council
of the City of Milwaukee

Honorable Members of the Common Council:

I am pleased to reappoint Ms. Georgia Cameron, 3438 North 41st Street, Milwaukee, Wisconsin 53216, to the Board of Zoning Appeals. This reappointment is pursuant to Section 62.23(7)(e) of the Wisconsin Statutes and section 295-311-1 of the Milwaukee Code of Ordinances. Ms. Cameron's term will commence upon taking of the oath of office.

I trust this reappointment will have the approval of your Honorable Body.

Respectfully submitted,

A handwritten signature in cursive script that reads "Tom Barrett". The signature is written in dark ink and is positioned above the printed name and title.

Tom Barrett
Mayor

NOTICES SENT TO FOR FILE : 090841

[illegible]