



2014 Annual Residents Preference Program Participation Report

City of Milwaukee
Department of Administration
Business Operations Division
Office of Small Business Development

The Office of Small Business Development is responsible for monitoring Residents Preference Program (RPP) participation on private development contracts that receive City financial assistance, which includes: \$1 and below market land sales, grants and loans for brownfield remediation, tax incremental financing and infrastructure improvements. Terms of the participation requirements are codified in an RPP agreement or Human Resources agreement between the Developer and the City.

Per the requirements of City of Milwaukee Code of Ordinances Chapter 355-7-3, the Office of Small Business Development has compiled information regarding the efforts of recipients of City financial assistance in achieving the goals of the RPP program for development agreements.

Summary

In 2014, 19 private development projects were active, totaling over \$605 million. Nine of the projects, totaling \$544 million, had RPP participation requirements. All active projects in 2014 are summarized in Table 1.

Table 1: Active Development Projects in 2014

	Projects in 2014	Completion Date	Cost
Projects with RPP Participation	North End Phase II	3/31/2014	\$36,706,990
	Northwestern Mutual	2017	\$450,000,000
	Posner Building	2015	\$23,757,814
	Reed Street Yards - Site Improvements	7/15/2014	\$2,695,380
	Rishi Tea	9/1/2014	\$2,888,284
	Schlitz Park Project (Building Improvements)	7/31/2014	\$7,897,145
	Schlitz Park Project (Street Improvements)	12/31/2014	\$1,583,093
	Solaris	2/28/2015	\$3,688,905
	Standard @ East Library	7/31/2014	\$15,187,121
Projects with No RPP Participation	Frederick Lofts	2015	\$13,031,419
	Impact Milwaukee 1 RTO Homes	11/28/2014	\$3,829,060
	LBWN - Rent-to-Own Homes	7/31/2014	\$4,167,169
	Legacy Redevelopment - 2301 W. Garfield	7/15/2014	\$121,854
	Legacy Redevelopment - 2309 W. Garfield	7/15/2014	\$121,854
	Northside Homeowners Initiative 2	1/31/2014	\$5,384,823
	Northside Neighborhood Initiative 2	1/31/2014	\$5,904,487
	Sherman Park Homeowners Initiative	12/31/2015	\$6,885,000
	St. Ann Center	9/1/2015	\$14,951,000
	Washington Park Homeowners Initiative	1/1/2015	\$6,792,119
Total			\$605,593,517

RPP Requirements

The level of direct financial assistance from the City impacts whether a private development project has an RPP requirement. Three projects, totaling \$512 million, received more than \$1 million of direct financial assistance, which triggered the 40% RPP requirement under Chapter 355. Five projects had

RPP goals, as opposed to requirements. Ten projects did not have any RPP participation requirements. The projects' RPP requirements and explanation are provided in the chart below.

Table 2: RPP Targets and Achievements

Project	RPP Target Type	RPP % Target	RPP % Achieved	Note
Northwestern Mutual*	Requirement	40%	49%	Subject to Ch. 355
Posner Building*	Requirement	40%	14%	Subject to Ch. 355
Schlitz Park Project (Street Improvements)	Requirement	40%	43.5%	Subject to Ch. 355
North End Phase II	Requirement	30%	32%	TID created in 2002 prior to Ch. 355
Rishi Tea	Goal	40%	8%	Menomonee Valley land sale; not subject to Ch. 355
Standard @ East Library	Goal	40%	17%	Land sale; not subject to Ch. 355
Reed Street Yards - Site	Goal	21%	33%	TID created in 2009 prior to Ch. 355
Schlitz Park Project (Building Improvements)	Goal	21%	6%	RPP determined during negotiations with developer; no direct financial assistance provided for building improvements
Solaris	Goal	20%	5%	Menomonee Valley land sale; not subject to Ch. 355
Frederick Lofts	n/a	0%	n/a	This project falls under the 2007 agreement for the Pabst Brewery complex, which was executed prior to Ch. 355
Impact Milwaukee 1 RTO Homes	n/a	0%	n/a	Land sale; not subject to Ch. 355
LBWN - Rent-to-Own Homes	n/a	0%	n/a	Land sale; not subject to Ch. 355
Legacy Redevelopment - 2301 W. Garfield	n/a	0%	n/a	Land sale; not subject to Ch. 355
Legacy Redevelopment - 2309 W. Garfield	n/a	0%	n/a	Land sale; not subject to Ch. 355
Northside Homeowners Initiative 2	n/a	0%	n/a	Land sale; not subject to Ch. 355
Northside Neighborhood Initiative 2	n/a	0%	n/a	Land sale; not subject to Ch. 355
Sherman Park Homeowners Initiative	n/a	0%	n/a	Land sale; not subject to Ch. 355
St. Ann Center	n/a	0%	n/a	Land sale; not subject to Ch. 355
Washington Park Homeowners Initiative	n/a	0%	n/a	Land sale; not subject to Ch. 355

**Note: The Northwestern Mutual and Posner Building projects have not been completed, so the RPP % achieved is not final.*

It is important to note that the Office of Small Business Development did not adjust any of the participation percentage requirements or goals for any of these projects. OSBD has enforced all RPP requirements and goals as stipulated in the Human Resources agreements.

Table 3 summarizes the hours worked on projects with RPP requirements or goals.

Table 3: RPP Hours Worked

Project	# of RPP Hours Worked	# of Total Hours Worked
North End Phase II	38,089	120,617
Northwestern Mutual	66,732	136,887
Posner Building	9,666	68,078
Reed Street Yards - Site	2,200	6,630
Rishi Tea	1,585	18,738
Schlitz Park Project (Building Improvements)	2,687	41,936
Schlitz Park Project (Street Improvements)	2,092	4,809
Solaris	692	12,686
Standard @ East Library	1,139	6,831
Total	124,880	417,211

Worker hours have also been broken down by location, in the City of Milwaukee, in Wisconsin, and outside of Wisconsin in Table 4.

Table 4: RPP Hours Worked by Location

Project	City Hours	Non-City Hours	Non-State Hours
North End Phase II	52,926	67,691	0
Northwestern Mutual*	66,732	TBD	7,784
Posner Building*	9,666	TBD	TBD
Reed Street Yards - Site	2,584	3,969	77
Rishi Tea	6,801	11,937	0
Schlitz Park Project (Building Improvements)	7,786	34,150	0
Schlitz Park Project (Street Improvements)	2,143	2,666	0
Solaris	1,851	10,317	518
Standard @ East Library	1,455	5,375	0
Total	151,944	256,888	8,379

**Note: The Northwestern Mutual and Posner Building projects have not been completed, so final worker hours have not been provided.*

Projects subject to Chapter 355 also reported new RPP hires in 2014. Two new RPP workers were hired for the Schlitz Park (Street Improvements) project, and 5 new RPP workers were hired to date on the Posner Building project. New hires for the Northwestern Mutual project have not been reported yet. Additionally, fourteen RPP workers served as apprentices or participated in an on-the-job training program. Worker hours have also been broken down by job type in Table 5.

Table 5: RPP Workers by Job Type

Job Type	# of RPP Workers
Asbestos Abatement Worker	14
Asphalt Paver	4
Bricklayer	8
Carpenter	37
Cement Finisher	13
Demolition	9
Door Installer	1
Drywall Taper	7
Electrician	18
Fence Erector	4
Fire Protection	1
Floor Coverer	2
Glazier	4
Heavy Equipment Operator	12
HVAC Worker	2
Insulator	17
Ironworker	23
Laborer	114
Landscaper	7
Mason	1
Operating Engineer	1
Operator	2
Painter	5
Pipefitter	9
Plumber	6
Roofer	19
Security	9
Sheet Metal Worker	7
Sprinkler Fitter	1
Steamfitter	2
Superintendent	1
Technician	1
Truck Driver	50
Total	411