



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes

REDEVELOPMENT AUTHORITY

FRANCES HARDRICK, CHAIR

Lois Smith, Vice-Chair

*Kathryn West, William Schwartz, Jose Galvan, Jr. and
Monique Charlier*

*Assistant Executive Director-Secretary David P. Misky,
414-286-8682, dmisky@milwaukee.gov*

Thursday, September 21, 2023

1:30 PM

809 North Broadway, 1st Floor Boardroom

1. Pledge of Allegiance

The meeting was called to order at 1:30pm. The Pledge of Allegiance was said.

2. Roll Call

Present 6 - West, Schwartz, Galvan Jr., Hardrick, Charlier and Westmoreland

Excused 1 - Smith

3. Minutes

After the Pledge of Allegiance and Roll Call, the Chair asked for a motion to adopt the August 17, 2023 Meeting Minutes. Hearing no corrections or objection, the minutes were adopted by consensus.

Mr. Misky reported that for today's public hearing regarding approval of an environmental loan, the required public notice was published in the Daily Reporter on September 7th and September 14th.

4. Resolution authorizing up to a \$1,250,000 loan from the RACM EPA Brownfield Revolving Loan Fund to FS Apartments, LLC or an agreed upon affiliate to be used on the property at 147 East Becher Street, Milwaukee, Wisconsin.

Tory Kress of the Environmental Team introduced the item and gave a brief history of the site, the proposed project, and the Brownfield Loan program. The Board approved TID-117 last month for the 147 East Becher Street Project with a \$9.2MM developer-financed contribution but the development team has determined a financial gap still exists regarding the environmental issues. This resolution will provide a \$1,250,000 loan to assist the development with their environmental issues which include asbestos abatement, demolition, and contaminated soil. The terms include a 4.65% interest rate for 5 years amortized over 20 years.

Commissioner Schwartz and Chair Hardrick asked about the environmental conditions and the possibility of vapor intrusion. Ms. Kress and Mr. Misky stated the development

follows the State DNR's process of submitting a Remedial Action Option report to address all the environmental issues which will lead to a closure letter when the project is complete. The Authority has "hold harmless" language in the loan agreement.

Commissioner Schwartz asked if the loan amount could be increased if additional cleanup was needed to which Ms. Kress stated it could but we do have several other projects interested in using the loan funds so we will be trying to meet all the demands. Chair Hardrick asked why the borrower and the guarantor are different. Nick Orthmann of Bear Development stated this is fairly standard. The newly created LLC will be the borrower but Bear Development (majority owner of the LLC) will guarantee the loan.

Commissioner Charlier asked how the interest rate was arrived at. Ms. Kress stated it was a combination of MEDC's underwriting, national rates, the company's pro forma, the project including affordable housing, and job creation. Commissioner Galvan asked about the human resource goals for the project. Mr. Orthmann stated the development team will be hiring Prism Technical which has been successfully managing their project at 9th and Michigan and the project is currently meeting their goals of 25% SBE and 40% RPP.

Commissioner Galvan moved for adoption of the resolution and it carried by a vote of 6 ayes - 0 nays. Adopted resolution is No. 10973.

5. [230820](#) Resolution authorizing up to a \$1,250,000 loan from the EPA Brownfield Revolving Loan Fund to FS Apartments, LLC or an agreed upon affiliate to be used on the property at 147 East Becher Street, Milwaukee, Wisconsin.

Sponsors: THE CHAIR

6. **Review and Acceptance of RACM's 2022 Financial Statements by Baker Tilly.**

David Schroeder of Finance and Administration and Michelle Walter of Baker Tilly presented the 2022 audit which was completed on time (June 22) and with an unmodified opinion or "clean" audit. Mr. Schroeder acknowledged the high-level of staff support from Dave Piedt, Bob Efinger, James Alsteen, Ashley Sweda, Amanda Parr, and Scott Stange. Ms. Walter cited the two new GASB rules that are reflected in the reports. GASB-87 reflects the Authority leases and GASB-91 reflects the Authority's conduit debt.

7. **Adjournment**

The meeting was adjourned at 2:10p.m. Minutes prepared by David Misky.