

Milwaukee County Research Park & Technology Innovation Center
10437 Innovation Drive, Suite 123, Wauwatosa, Wisconsin 53226-4815
Phone 414-778-1400 E-mail gtm@mcrpc.org

DATE: May 30, 2014

TO: Supervisor Patricia Jursik,
Chair, Economic and Community Development Committee

FROM: Guy T. Mascari, Director, Technology Innovation Center and
Director of Development, Milwaukee County Research Park

SUBJECT: Report on Recent Activity at the Milwaukee County Research Park, the Value of Business Incubation in Southeastern Wisconsin, and Comments regarding the CBRE Comprehensive Facilities Plan Consulting Report dated February 11, 2013

RECENT ACTIVITY

The most recent census indicated that there were approximately 115 businesses in the Research Park: 39 in the Technology Innovation Center (TIC) and 76 in multi-tenant and single occupant buildings. These businesses employ approximately 4,800 people. With the exception of the TIC, all of the other buildings are owned and leased by private developers. Occupancy has been exceptional in the park, with the vacancy rate currently at 1.6 percent. ⁽¹⁾

Total land sold equals 97.1 acres, with 17.30 acres left to sell or lease. These numbers do not include the 6.35 acres acquired by the Wisconsin Department of Transportation (WDOT) for the Zoo Interchange Project. The remaining land has a total value of about \$3,361,200. The park contains 14 buildings with a total of 1,691,000 square feet. This includes the largest building in the park – GE Healthcare’s 506,000 square foot clinical systems and corporate IT facility and the 200 room Crowne Plaza Hotel.

The 2013 total assessed value of all of the buildings in the Research Park is \$191,424,500 and annual property taxes total \$4,547,107. ⁽²⁾ Once the City of Wauwatosa closes the Research Park TID, approximately 25% of the annual property taxes with a value of about \$1,137,000 will go to Milwaukee County.

The TIC is the Milwaukee County Research Park Corporation’s (MCRPC) award winning 138,000 sq. ft. high-technology business incubator - one of the largest in the United States. Since opening its doors in March 1993, the TIC has attracted 152 firms (including 113 graduates) and helped create 1,059 new high paying jobs as of December 31, 2013. Currently 39 companies with 195 employees occupy space in the building. Over two-thirds of these employees hold jobs created since the firms first entered the building. The majority of TIC companies are in information technologies (50%), followed by medical and

biotechnology (25%). The remainder are in electronic equipment, industrial automation, LED optics, engineering, composite materials, and support organizations (25%). The TIC has 11,200 sq. ft. of wet lab space equipped with appropriate fixtures, ventilation, and equipment.

Space leased as of December 31, 2013 totaled 53,465 sq. ft. with corresponding revenues of \$53,918 per month, up substantially from the same date in 2012. As of May 1, 2014, space leased totaled 56,667 sq. ft. with corresponding revenues of \$56,573 per month due to the growth of several existing tenants. ⁽³⁾ As of May 1, 2014, total rent paid to Milwaukee County under the TIC lease was \$5,381,324.

GROUNDS AND BUILDING IMPROVEMENTS

Approximately \$3,600,000 has been or will be invested shortly in the southwest quadrant of the County Grounds that includes the Research Park (excluding the Zoo Interchange): (a) entrance re-construction - \$860,000, (b) TIC rain garden and pervious parking - \$128,000, (c) new boilers - \$420,000, (d) new laboratory for Agro BioSciences - \$70,000, (e) new card access, cameras, and security management system - \$76,000, (f) new hallway carpet and paint - \$52,000, and lastly (g) new access and parking at the Children's Court Center - \$2,000,000. MCRPC staff has spent a significant amount of time and effort overseeing, managing, and participating in these projects.

VALUE OF BUSINESS INCUBATION TO SOUTHEASTERN WISCONSIN

Business incubation works. This has been demonstrated time and again since the first business incubator opened in Batavia, New York in 1959.

A recent 2008 study conducted by consulting firm Grant Thornton for the U.S. Department of Commerce Economic Development Administration found that business incubators produce new jobs at a lower cost to the government than do other investments, such as roads and bridges, industrial parks, commercial buildings, and sewer and water projects. ⁽⁴⁾

Incubators improve the local economy through the creation of jobs and increased tax revenue. Growing in an incubator increases the business' chance of continued success and potential for long-term economic impact. Statistics indicate that two out of three business start-ups fail within the first five years, but 87 percent of businesses started in incubators are still viable after five years. ⁽⁵⁾ Also, businesses started in incubators tend to stay in the region in which they started. A major factor in these trends is the help businesses in an incubator give to each other. For this to happen, a suitable facility is absolutely necessary.

Other than the 39,000 sq. ft. Whitewater University Innovation Center in Walworth County, the TIC is the only business incubator in southeastern Wisconsin and as such vital to entrepreneurial development. Two of the largest general purpose incubators in the region operated by the Milwaukee Area Technical College, Milwaukee Enterprise Centers (MEC) North and South recently closed due to management problems and repurposed according to a January 25, 2014 Milwaukee Journal Sentinel article. ⁽⁶⁾

COMMENTS REGARDING THE CBRE COMPREHENSIVE FACILITIES PLAN CONSULTING REPORT DATED FEBRUARY 11, 2013 (the “report”)

While this report more or less accurately describes the physical condition of the TIC building, the conclusions and recommendations that the report makes are inaccurate. What follows are preliminary comments and observations that will be expanded and developed further as an analysis of the business incubation needs of the region are made, how they are best fulfilled, and what alternatives are most financially viable. MCRPC will retain the services of outside independent consultants to assist in this endeavor.

It is not a foregone conclusion that it is not feasible or desirable to renovate and/or maintain the existing TIC building. Among other things, the report failed to address the issue of the “embedded energy” in the TIC building and its importance to the urban ecology of the region. An article in *Buildings* dated June 21, 2012 “What is the Greenest Building” makes some very important points regarding the desirability of saving old buildings, not for historic reasons like the Eschweiler buildings, but for environmental reasons.⁽⁷⁾ That being said, the TIC as a former tuberculosis sanitarium built in 1913 is also a very historic building and representative of the social concerns of the County a century ago.

ALTERNATIVES TO THE TIC

The report also inaccurately describes alternatives to the TIC in the region. In fact, according to an official of the Wisconsin Business Incubation Association (WBIA), the TIC is the only business incubator current operating in the County. UWM’s Accelerator and the Water Council facility south of downtown Milwaukee are small in scale and have a different focus. Some may call them pre-incubation programs. As such, these two programs, especially the UWM Accelerator are complementary to the TIC.

Attached is a list of the eight incubators in metro-Milwaukee as of April 1993, a month after the TIC opened.⁽⁸⁾ According to the WBIA official, not one of them is operating today. There are reasons for this that could be explored – unsuitable facilities, poor location, ineffective management, lack of commitment by stakeholders, etc. There are also many reasons why the TIC is still thriving, including the fact that it is a facility singularly well suited for business incubation – it could be described as a big “egg crate” with over 250 individual rooms that make it easy for businesses to expand incrementally.

MILWAUKEE COUNTY’S RESEARCH TRIANGLE

Although the Milwaukee Regional Medical Center (MRMC) was established in 1968, Milwaukee County’s repurposing of the County Grounds began in earnest in 1978, when the Medical College of Wisconsin moved its campus west. Since then, the Medical College, Children’s Hospital, the Blood Research Institute, Froedtert Hospital, and other institutions, have fostered a common mission of excellence in patient care, medical education, life science research, and community service.

In response to a 1985 Blue Ribbon Task Force Report, Milwaukee County created the MCRPC in 1987. The Research Park became the second leg of the County’s research

triangle. While still on-going, a highpoint of development was the 2006 construction of GE Healthcare's 506,000 sq. ft. facility.

In early 2011, MCRPC released its lease-hold rights on 16 acres of land in the Northeast Quadrant of the County Grounds. This event allowed Milwaukee County to sell this parcel along with approximately 65 acres of additional land to the University of Wisconsin – Milwaukee Real Estate Foundation for the development of the UWM Innovation Campus associated with UWM's School of Engineering and Applied Science. The Innovation Campus will add significantly to the cluster of innovation and entrepreneurial activity already created by MCRPC and MRMC. The UWM Innovation Campus has become the third leg of the triangle.

This cluster of innovation – MRMC, Research Park, Innovation Campus – is unique. It is self-evident that the region's technology incubator must be part of this cluster. Milwaukee County can be justly proud of what it has accomplished at the County Grounds.

ECONOMICS OF BUILDING DEMOLITION

The economics of tearing the building down and turning the land over to a developer were not adequately developed by the report. The TIC sits on 6.3 acres of land worth \$160,000 per acre giving the site a value of \$1,008,000. A cursory search on the Internet revealed that demolishing a building runs between \$4 and \$8 per sq. ft. If the building contains asbestos (as the TIC does) another \$3 to \$5 per sq. ft. should be added, giving demolition costs of \$7 to \$13 per sq. ft. The TIC building is 138,000 sq. ft. so the cost to tear it down could be between \$966,000 and \$1,794,000, near or well in excess of the value of the underlying land. With substantial masonry construction, asbestos, and the numerous underground tunnels that are on the site it could be that the demolition cost would be on the high side or even greater. Of course these costs and this contingent liability must be made building specific by qualified estimators, an analysis apparently not done by CBRE.

UTILITY COSTS

The TIC utility costs in the CBRE report are out dated. The report stated that the building's utility costs "exceed \$2.20/sf" and that "for comparative use facilities, costs should be closer to \$1.45-\$1.60/sf." As reported in the attached TIC Utility Analysis, the TIC utility costs for the period 4/1/13 to 3/31/14 were \$101,270 or \$0.73/sf.⁽⁹⁾ This period obviously included the recent very cold winter. There are several reasons for this – paramount of course are the new high efficiency boilers installed by Johnson Controls in 2013 and paid for by WDOT at no cost to the County or MCRPC. As reported at the November 2013 MCRPC board meeting, the TIC won the County's "Kilowatt Challenge" with a 16% yearly reduction in electrical usage. This was a result of efforts by the MCRPC Facilities Manager, Kay Van Hecke, and the cooperation of the TIC's 40 some tenants.

RENOVATION OR NEW CONSTRUCTION

It is self-evident that a need will be established for a well-functioning business incubator in the region. To conclude otherwise would require a belief that the knowledge economy and entrepreneurial fervor that began in the 1990's and continues to thrive will soon run its

course. There is no one in the community saying this. Also, initiatives like BizStarts and BizForge have broad community and corporate support even though the effectiveness of these programs and others has yet to be demonstrated. Behavior analysts will confirm the benefits of clustering hi-tech and fledging enterprises in close proximity – an important rationale for business incubators.

A recent analysis ⁽¹⁰⁾ indicated that since the year 2000, on average approximately 60,000 sq. ft. has been occupied by tenants in TIC annually and is currently on the upswing. The period covered includes 9/11, the dot-com bust, and two recessions. In the event that the TIC were to be demolished, it is estimated that a 70,000 to 80,000 sq. ft. building would be required to replace the TIC – taking into account core services facilities, management offices, shared conferences rooms, etc.

A local real estate professional estimated that replacement costs would be in excess of \$200 per sq. ft. (partly as a result of the need for laboratories – the TIC has the only small ones for rent in the region). UWM's Accelerator at Innovation Campus cost approximately \$240 per sq. ft. This would make the cost of a new comparable building at least \$14,000,000 and as high as \$19,200,000 – well in excess of the \$8,000,000 estimate to renovate the current building.

If someone were to recommend a smaller facility and ignore established space needs, they should consider that the National Business Incubation Association (NBIA) estimates that an incubator of at least 40,000 to 50,000 sq. ft. is necessary if a program is to have any chance of being self-sufficient and sustainable. The cost of such a small facility would again equal or exceed the renovation costs. And, of course the TIC could operate efficiently for an extended period even if the funds to fully renovate the building cannot be found in the short term by only funding and maintaining certain critical parts of the building at a much lower cost, estimated to be about \$550,000.

CONCLUSION

While the preceding is not meant to make a definitive case for continuing the operation of the TIC, it clearly presents the difficulties with the CBRE report and the need for more analysis. The jury is certainly not out and there is a lot more evidence to consider. MCRPC needs the County's continued support as it moves forward.



Guy T. Mascari
Milwaukee County Research Park
Director, Technology Innovation Center
Director of Development

References and Exhibits Follow

Footnotes, References and Exhibits

- (1) Exhibit A - Report on Vacancy in Research Park Buildings
- (2) Exhibit B - Building Summary and 2013 Assessments
- (3) Exhibit C - Leasing Activity Report
- (4) “Business Incubation Works”
http://www.nbia.org/resource_library/works/index.php
- (5) “Community Benefits of a Business Incubator” <http://www.canbe.biz/CAN-BE/community-benefits.html>
- (6) “MATC Revamps South Side Milwaukee Building for Worker Training”
<http://www.jsonline.com/news/milwaukee/matc-revamps-south-side-milwaukee-building-for-worker-training-b99191129z1-241995971.html>
- (7) “What is the Greenest Building” <http://www.buildings.com/article-details/articleid/14207/title/what-is-the-greenest-building.aspx>
- (8) Exhibit D - 1993 Regional Incubators
- (9) Exhibit E - E-mail dated April 16, 2014 from Al Klatt, FM Accounting Coordinator
- (10) Exhibit F – Summary of TIC Leasing Activity 2000 to 2014 and 1993 to 2014

EXHIBIT A

MILWAUKEE COUNTY RESEARCH PARK
REPORT ON VACANCY IN RESEARCH PARK BUILDINGS

AS OF DECEMBER 31, 2013

	BUILDING	ADDRESS	LOT	TOTAL SIZE (SQ. FT.)	VACANCY 04/01/12	VACANCY 11/01/12	VACANCY 11/01/13	CURRENT PERCENT
1.	United Healthcare	10701 Research Drive	N/A	130,470	0	0	0	0.0%
2.	Wood Lake I	10201 Innovation Drive	5	43,700	0	5,594	5,944	13.6%
3.	Wood Lake II	10101 Innovation Drive	6	43,700	0	0	0	0.0%
4.	Wood Lake III	10200 Innovation Drive	3&7	69,830	3,549	3,549	0	0.0%
5.	MCW Research Park Center	10000 Innovation Drive	16	229,400	6,674	6,674	5,124	2.2%
6.	James Development	10001 Innovation Drive	18	54,260	5,500	5,500	0	0.0%
7.	Innovation Point	10400 Innovation Drive	2	55,800	0	0	7,864	14.1%
8.	Oakwood Center	10301 Innovation Drive	4	87,320	0	0	0	0.0%
9.	GE Healthcare	9900 Innovation Drive	15&17	506,000	0	0	0	0.0%
10.	Bloom Center	10501 Research Drive	14	30,556	3,890	3,500	3,791	12.4%
11.	Mayfair Woods	10700 Research Drive	13	170,743	2,115	2,115	0	0.0%
	Sub-Total			1,421,779	21,728	26,932	22,723	1.6%
12.	Technology Innovation Center	10437 Innovation Drive	20	137,250	N/A	N/A	N/A	N/A
13.	Crowne Plaza Hotel	10499 Innovation Drive	11	124,239	N/A	N/A	N/A	N/A
14.	M-10 Building	10457 Watertown Plank Road	21	8,050	N/A	N/A	N/A	N/A
	Total			1,691,318				

EXHIBIT B

MILWAUKEE COUNTY RESEARCH PARK
BUILDING SUMMARY AND 2013 ASSESSMENTS

AS OF 12/31/13

	CLOSING DATE	BUILDING COMPLETED	LOT	BUILDING NAME	GROSS SQ. FT.	LAND	IMPV.	TOTAL	EFMV	ANNUAL TAXES
1.	10/26/1994	10/13/1995	n/a	United Healthcare	130,470	5,556,000	12,444,000	18,000,000	16,917,700	427,313
2.	10/15/1996	5/9/1997	5	Woodlake I	43,700	1,975,200	3,065,800	5,041,000	4,737,900	119,718
3.	11/27/1996	1913	21	M-10 (Exempt)	8,050	0	0	0	0	0
4.	11/18/1997	6/11/1998	6	Woodlake II	43,700	1,549,200	3,491,800	5,041,000	4,737,900	119,718
5.	4/22/1999	11/4/1999	16	Woodlake III	69,830	3,224,000	5,815,400	9,039,400	8,495,700	214,624
6.	2/19/1999	1/6/2000	3&7	MCW Research Park Center	229,400	5,740,000	20,498,800	26,238,800	24,660,500	623,056
7.	2/1/2000	9/15/2000	18	James Development Corp.	54,260	1,631,600	4,822,100	6,453,700	6,065,500	153,250
8.	3/31/2000	2/15/2001	2	Innovation Point	55,800	1,566,800	6,100,900	7,667,700	7,206,500	182,065
9.	5/24/2000	7/20/2001	4	Oakwood Center	87,320	3,120,800	6,084,400	9,205,200	8,651,500	218,560
10.	7/15/2004	1/6/2006	15&17	GE Healthcare	506,000	3,954,600	57,666,300	61,620,900	57,914,400	1,463,198
11.	8/30/2006	10/24/2007	14	Bloom Center	30,556	1,476,000	2,488,200	3,964,200	3,725,700	94,097
12.	9/20/2006	2/27/2008	11	Crowne Plaza Hotel	124,239	6,640,800	9,037,000	15,677,800	14,734,800	374,058
13.	4/30/2007	1/25/2008	13	Mayfair Woods	170,743	4,088,000	19,386,800	23,474,800	22,062,800	557,450
		Sub-Total		New Buildings	1,554,068	40,523,000	150,901,500	191,424,500	179,910,900	4,547,107
14.	n/a	1913-1936	20	Technology Innovation Center	137,250	0	0	0	0	0
		Total		All Buildings	1,691,318	40,523,000	150,901,500	191,424,500	179,910,900	4,547,107
Assessment/Estimate of Fair Market Value (Assessment Ratio) = 106.40%										
Net Tax Rate per \$1,000 = \$23.74										

EXHIBIT C
MILWAUKEE COUNTY RESEARCH PARK
TECHNOLOGY INNOVATION CENTER
LEASING ACTIVITY REPORT

AS OF DECEMBER 31, 2013

1. Total Space Leased: 53,465 sq. ft. (51,355 sq. ft. as of 12/31/12)
2. Total Number of Companies: 39 (42 12/31/12)
3. Total Employment: 195 as of 12/31/13 (188 12/31/12)
4. Total Monthly Rent: \$53,918 - \$12.10 psf (\$49,519 - \$11.57 psf 12/31/12)
5. Total Rent paid to Milwaukee County: \$5,277,140 (March 1993 through 12/31/13)
6. Vacant Space (sq. ft.)

Floor	12/31/11 (Sq. Ft.)	12/31/12 (Sq. Ft.)	12/31/13 (Sq. Ft.)
Basement	4,212	4,759	4,759
First Floor Office	2,803	2,737	2,315
First Floor Laboratory	3,539	2,407	738
Second Floor	1,459	1,221	2,620
Third Floor	2,487	6,720	6,360
Fourth Floor	6,303	6,915	5,818
Fifth Floor	3,161	3,409	3,448
Total	23,964	28,168	26,058
Building Total	79,524	79,524	79,524
Occupancy (Total Building)	69.87%	64.58%	67.23%
Occupancy (Excluding Basement)	73.77%	68.69%	71.51%

7. Summary of New Tenants & Graduates

ITEM/YEAR	93	94	95	96	97	98	99	00	01	02	03
New Tenants (Graduated)	6	5	10	7	6	7	2	3	8	9	3
New Tenants (Current Tenant)	1	1	0	1	1	1	0	1	3	1	3
Total New Tenants (in year)	7	6	10	8	7	8	2	4	11	10	6
Graduates (in year)	0	1	3	0	4	5	3	2	4	10	8

ITEM/YEAR	04	05	06	07	08	09	10	11	12	13	Total
New Tenants (Graduated)	6	8	11	7	2	5	3	3	1	1	113
New Tenants (Current Tenant)	0	2	3	2	1	7	1	3	3	4	39
Total New Tenants (in year)	6	10	14	9	3	12	4	6	4	5	152
Graduates (in year)	10	8	4	3	7	9	9	8	9	6	113

8. New tenants 2013 (see attached sheet)
9. Graduates & Lease Terminations in 2013 (see attached sheet)
10. Largest Tenants by Space (11/1/13)
 - Securience, LLC 6,411 sq. ft.
 - Gammex, Inc. 4,511 sq. ft.
 - Tobin Solutions, Inc. 3,266 sq. ft.
 - Serlio Software Corporation 3,151 sq. ft.
 - Groupware Technologies, Inc. 2,834 sq. ft.

MILWAUKEE COUNTY RESEARCH PARK
TECHNOLOGY INNOVATION CENTER
NEW TENANTS, GRADUATES, AND LEASE TERMINATIONS – 2013

AS OF DECEMBER 31, 2013

NEW TENANTS

1. **Global Capital Group, LLC** - global business intelligence trans-disciplinary consulting that specializes in talent productivity, organizational development, entrepreneurship/wealth creation ecosystems growth, entrepreneurship and economic development research, and social entrepreneurship. (5/1/13)
2. **Agro BioSciences, Inc.** - research to identify and isolate the colonic bacteria that increase the absorption and bioavailability of the polyphenol, ellagic acid, that has demonstrated beneficial health effects related to antioxidant, anti-inflammatory, antiestrogenic, and cancer chemopreventative properties. (6/1/13)
3. **Jeez, Inc.** – provide next generation gene sequencing of BRAC 1 and BRAC 2 mutations to determine a subject's risk of developing breast and/or ovarian cancer, work toward being certified as a CLIA laboratory, and adopt new tests as they become available to quickly keep pace with the market. (11/1/13)
4. **James Peterson Sons, Inc.** – field office for road construction contractor during rebuilding of the Watertown Plank Road/US Highway 45 interchange and other related Zoo Interchange project activities. (11/1/13)
5. **Ellie, LLC** - development of fluorescence polarization (FP) assays that can detect the binding of a small fluorescently labeled peptide or oligonucleotide to a protein of interest and marketing of such products globally. (12/1/13)

MILWAUKEE COUNTY RESEARCH PARK
TECHNOLOGY INNOVATION CENTER
NEW TENANTS, GRADUATES, AND LEASE TERMINATIONS – 2013

AS OF DECEMBER 1, 2013

GRADUATES AND LEASE TERMINATIONS

1. **MPP Group, LLC** - operation of a virtual pharmaceutical company that will license and develop new drugs, monitor preliminary toxicological studies, and assist with registration with the FDA. This company's offices were moved to Mequon, Wisconsin to be closer to the homes of the owner and key employee. (6/1/07 – 5/15/13)
2. **Johnson Heart Care Center, S.C.** – development of new treatments and ideas related to heart care including collaboration with bio-science tenants currently in the Technology Innovation Center (TIC) building. Dr. W. Dudley Johnson, a retired Milwaukee heart surgeon, pioneer in heart by-pass surgery and Nobel Prize nominee, is no longer able to work outside of his home and no longer needs the office in the TIC. (10/1/11 – 6/30/13)
3. **MMPEX Systems, LLC** – developing, marketing, and deploying innovative industrial-grade, ready-to-deploy solutions that combine the newest generation of low-cost mobile robots with auxiliary material handling technologies, controls and software. Reason for leaving. (7/1/12 – 7/31/13)
4. **Wisconsin Viral Research Group, Ltd.** – laboratory operation that will specialize in the diagnosis of specific herpesvirus and other infectious agents in a variety of patient and animal populations and publication of original research and review articles in scientific literature. Electrical and HVAC characteristics of the TIC could no longer meet the sophistication of the research conducted by the company, such as back-up electrical power and central air conditioning. Business moved to the former home of Prodesa on Westwood Drive in Waukesha and will join two other TIC graduates, PhysioGenix and Veridia, in collaborative research efforts. (8/1/02 – 7/31/13)
5. **Developer One, Inc.** – development and marketing of software products for handheld, mobile computing, and PDA devices. This company, a pioneer in creating applications for mobile devices, has been adversely affected by the multitude of free apps that are now currently available from Apple and other smart phone and tablet manufacturers. The company will remain in business but will operate out of the founder's residence. (5/1/01 – 10/31/13)
6. **Jeez, Inc.** – provide next generation gene sequencing of BRAC 1 and BRAC 2 mutations to determine a subject's risk of developing breast and/or ovarian cancer, work toward being certified as a CLIA laboratory, and adopt new tests as they become available to quickly keep pace with the market. Company was unable to get necessary approvals and certifications for its laboratory processes, placing business on hold. (11/1/13 – 11/31/13)

EXHIBIT D

Incubator	Total Sq. Ft.	INDUSTRIAL SPACE Total Ind. Sp.	INDUSTRIAL SPACE Space Avail.	Rate	OFFICE SPACE Total Sq. Ft.	OFFICE SPACE Space Avail.	Rate	Expansion Plans
Community Enterprises Bill Lock 265-5055	14,000	7,500	1,500	negotiable	6,500	-0-	neg.	'94 construction of South wing, 2 story office bldg. (@ 4,000 sf); clearing area now. Remodeling current office space, air conditioning, general maintenance.
Innovation Center of Hartford Mr. Wolpert 673-7009	43,840	39,600	20,000	\$3.91	4,240	-0-	\$7.50	New building-no plans for expansion
MEC North Brian O'Malley 372-3936	125,000	70,000	20,000	\$3.50-4.50	55,000	20,000	\$4.50-6.50	Elevator, loading dock, lobby remodeling, upgrading material handling capacity & interior circulation.
MEC South Miguel Berry 645-0880	130,000	110,000	60,000	\$3.35-4.75	20,000	-0-	\$5.45-8.50	develop interior spaces; improve parking lot, entrance, handicap access, elevators
Metroworks I Lilbeth Yao 438-8312	253,000	250,000	190,000	\$1.00-2.75	3,000	1,800	\$5.50	One large office subdivided into 2 smaller offices
Metroworks II	12,000	none	none	n/a	12,000	2,900	\$5.00	Whole building being renovated - roof, security, conference rooms, updating plumbing, lighting, handicap accessible
Metroworks III	42,500	38,000	29,600	\$2.75-3.75	4,500	2,000	\$5.50	
Milw. Business Ventures 643-7740	34,000	30,600	2,000	\$4.00+	3,400	2,000	\$5.50	
TOTAL	634,340	545,700	323,100		108,640	28,700		
			59% vacant			26% vacant		
MI Kathleen Goldammer 778-1400	137,247 gross (tot. bldg.)	76,847 (MCRPC lease)	74,188	neg. starting at \$6.00				Remodeling common areas. MI not included in totals for three reasons: 1) As a High-Tech Incubator it is specialized; 2) MI has just begun accepting tenants and has a higher vacancy rate; 3) The mix between industrial and office tenants is difficult to project at this time.

97781178 P. 9

10

FROM Milwaukee County-PP/D

04-23-1993 10:15AM

EXHIBIT E

Guy Mascari

From: Klatt, Al <Allan.Klatt@milwaukeecountywi.gov>
Sent: Wednesday, April 16, 2014 10:26 AM
To: Guy Mascari; Waszak, Gary
Cc: Travia, Tom; William Drew
Subject: RE: Utility Bills
Attachments: Research Park Utility Analysis.xls

Hi Guy -

Attached is a three year analysis from 4/1/2011 - 3/31/2014 summarizing the electric, gas and steam expenditures at the Research Park. You will also notice on the spreadsheet that on the tab "Data" it will show the detailed costs by month. The analysis indicates a cost comparison of utility costs over the following 12 month periods:

April 1, 2011 - March 31, 2012	\$199,595
April 1, 2012 - March 31, 2013	\$190,117
April 1, 2013 - March 31, 2014	\$101,270

To summarize, utility costs decreased by \$88,847 from the 4/12-3/13 to 4/13-3/14.

Please call me if you have any questions.

Thank you

Al Klatt, CPA

Accounting Coordinator - Facilities Management Milwaukee County, Department of Administrative Services

Ph: (414) 278-5009

allan.klatt@milwaukeecountywi.gov

From: Guy Mascari [gtm@mcrpc.org]
Sent: Tuesday, April 15, 2014 3:24 PM
To: Waszak, Gary
Cc: Travia, Tom; William Drew; Klatt, Al
Subject: RE: Utility Bills

Hi Gary:

Any luck with the utility bills? I need them for a meeting with some board members next Monday.

Guy M.

Guy T. Mascari

Milwaukee County Research Park

Director, Technology Innovation Center

Director of Development

10437 Innovation Drive, Suite 123

Wauwatosa, Wisconsin 53226-4815

414-778-1400 (Office)

414-778-1178 (Fax)

414-416-6874 (Cell)

E-mail: gtm@mcrpc.org<<mailto:gtm@mcrpc.org>>

EXHIBIT F

MILWAUKEE COUNTY RESEARCH PARK TECHNOLOGY INNOVATION CENTER SUMMARY OF LEASING ACTIVITY 2000-2014

APRIL 18, 2014

YEAR	TENANTS ⁽¹⁾	SPACE LEASED (SQ. FT.) ⁽²⁾	MONTHLY RENT REVENUE ⁽³⁾	AVERAGE RENT PER SQ. FT. PER YEAR	YEARLY TOTAL TIC REVENUE ⁽⁶⁾	RENT TO MILWAUKEE COUNTY
2000	34	75,152	57,643	9.20	708,779	340,064
2001 ⁽²⁾	41	64,026	51,559	9.66	649,823	301,809
2002	42	67,648	56,571	10.04	715,793	314,864
2003	39	69,284	58,764	10.18	775,875	324,500
2004	36	42,947	40,974	11.45	736,788	309,410
2005 ⁽³⁾	37	48,684	49,988	12.32	607,676	225,644
2006	46	60,415	58,462	11.61	705,458	255,097
2007	53	64,110	62,800	11.75	804,376	293,696
2008 ⁽⁴⁾	50	62,099	60,685	11.73	811,446	294,316
2009	54	60,683	58,600	11.59	768,149	284,259
2010	48	58,708	57,519	11.76	753,450	276,288
2011	45	55,559	52,642	11.37	690,128	255,497
2012	42	51,355	49,519	11.57	691,604	252,830
2013	39	53,465	53,918	12.10	657,770	234,872
2014 ⁽⁵⁾	40	56,466	56,537	12.02	713,969	251,274
TOTAL					10,791,084	4,214,420
YRLY AVE.	43	59,373	55,079	11.22	719,406	280,961

(1) Snap-shot as of December 31 of each year.

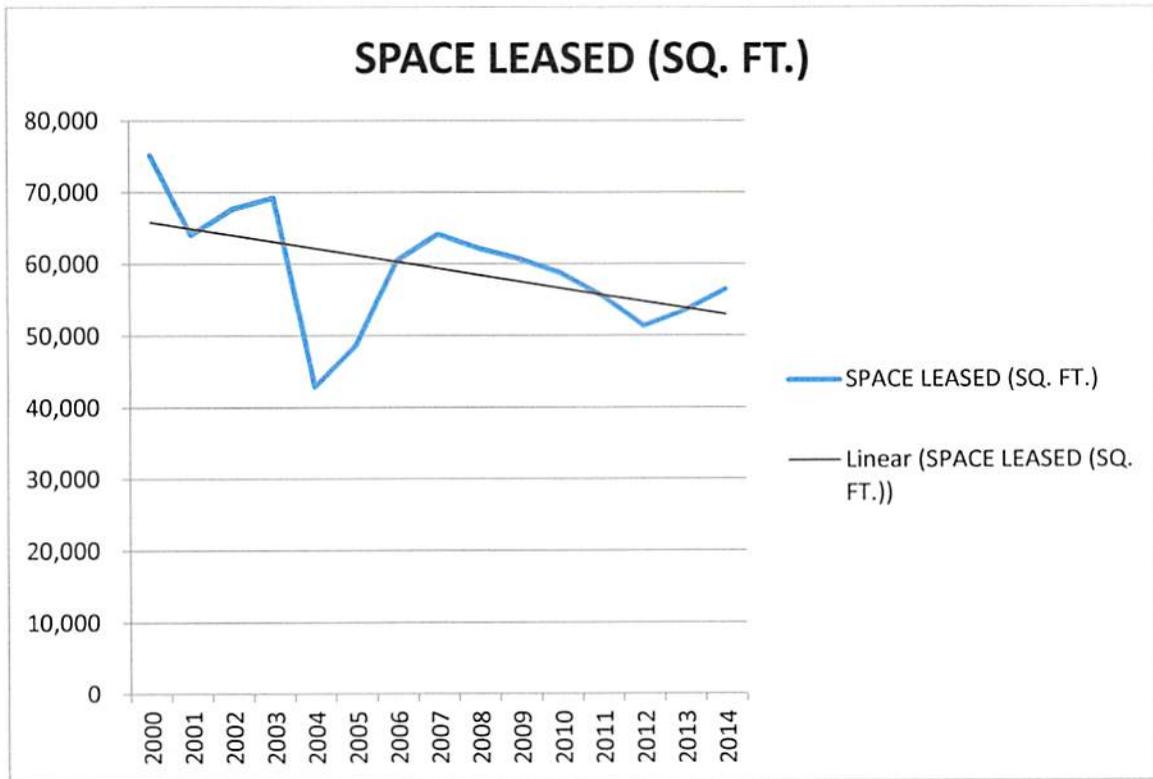
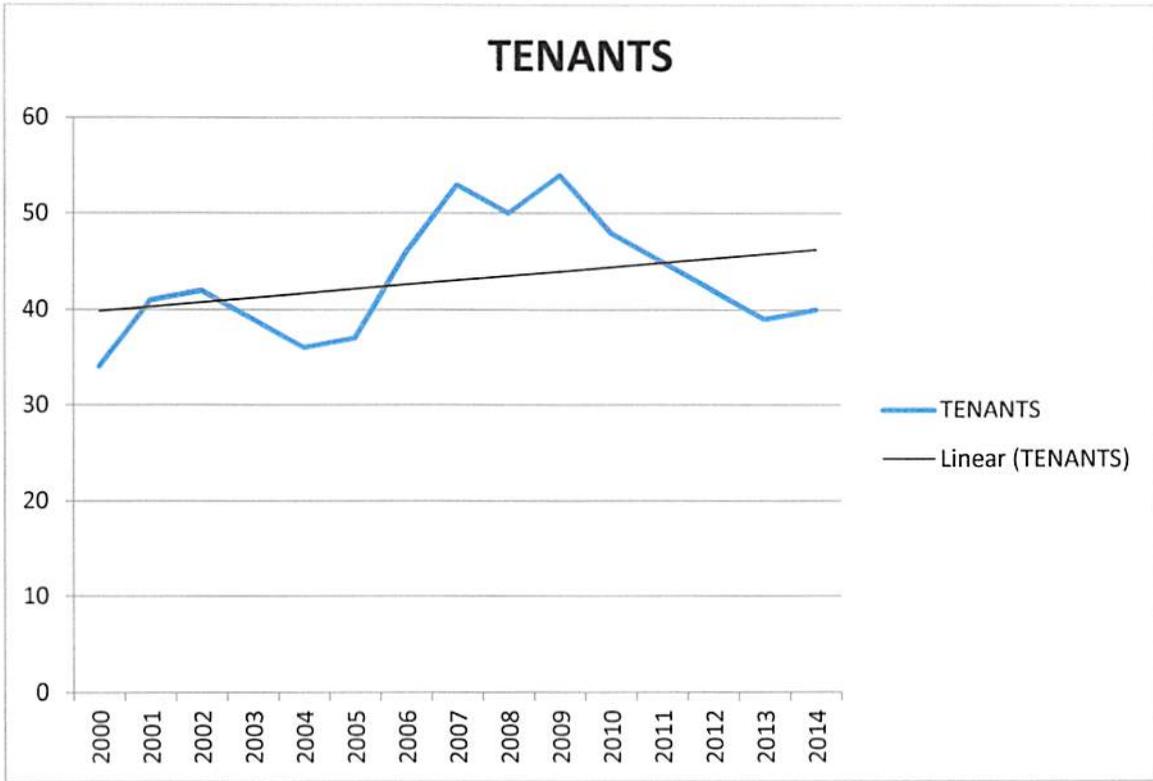
(2) Tushaus Computer graduated and moved to building in the Research Park.

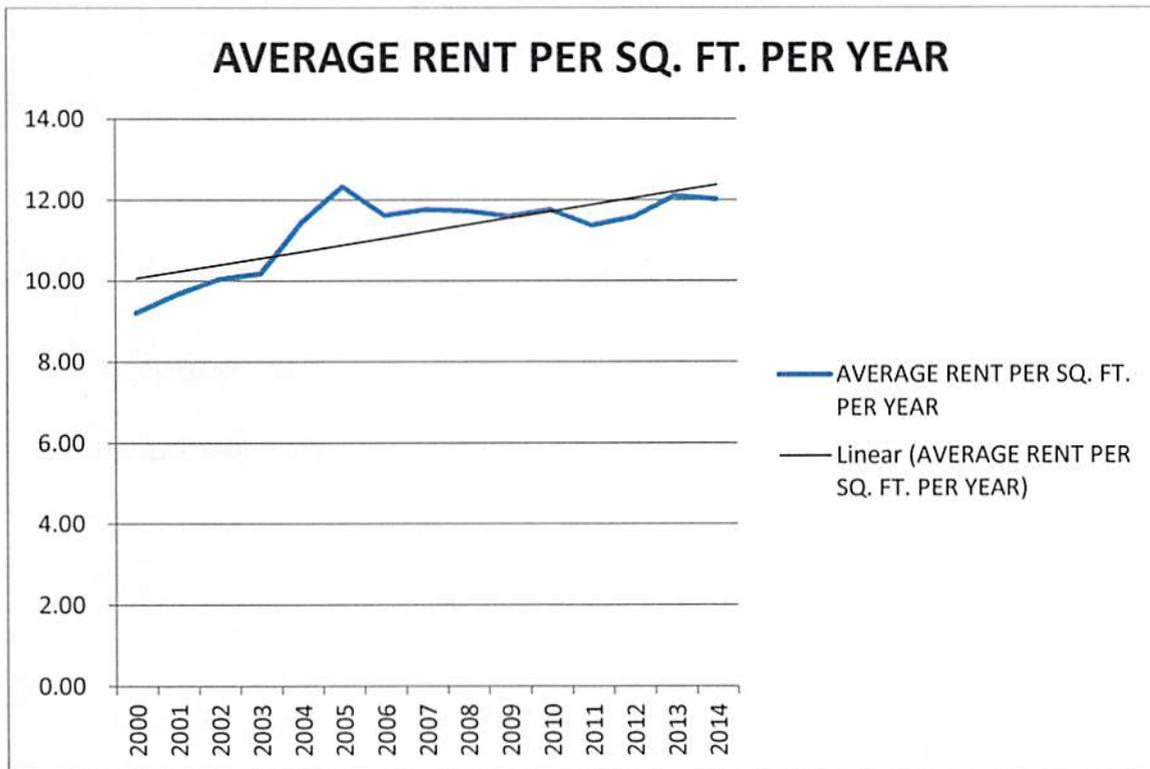
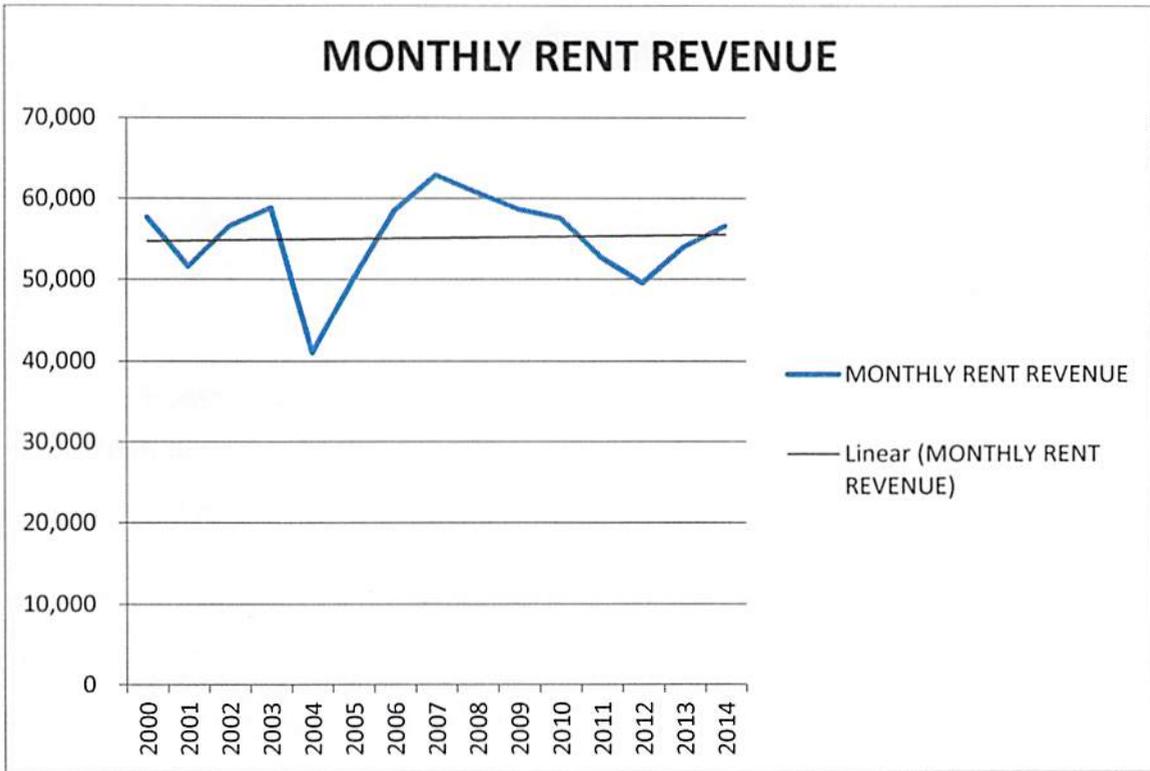
(3) Three largest tenants graduated. Built-out north laboratory wing for Zystor Therapeutics.

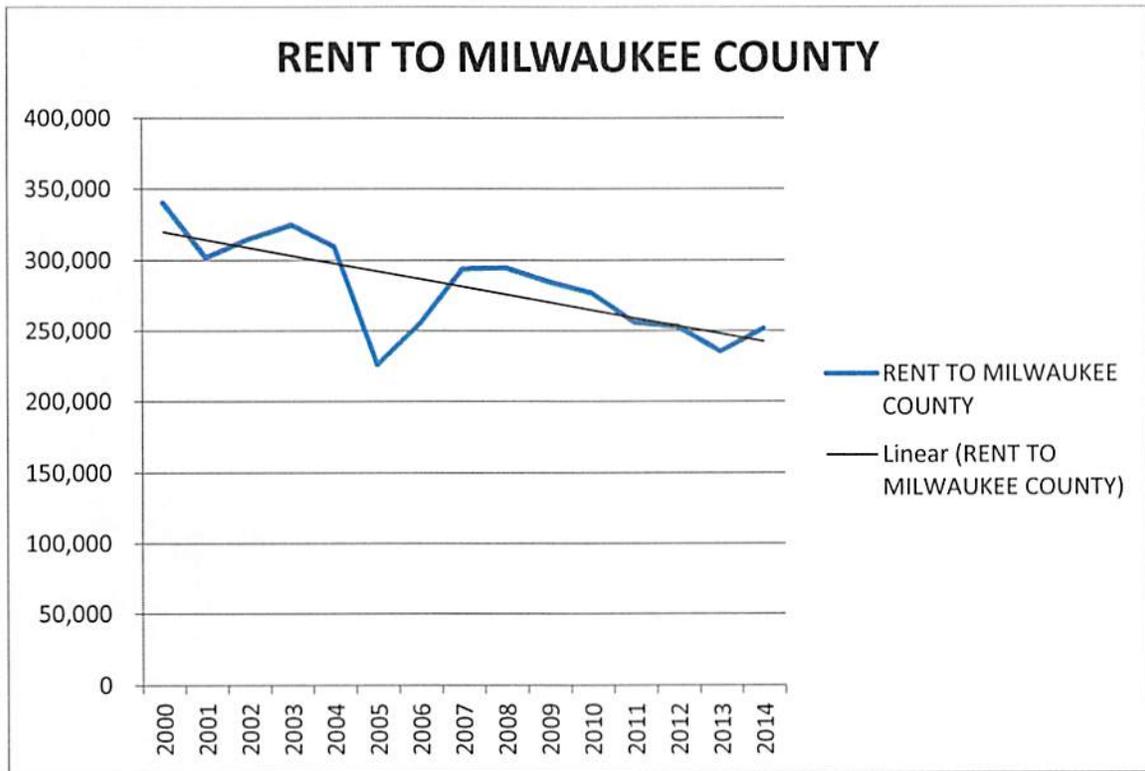
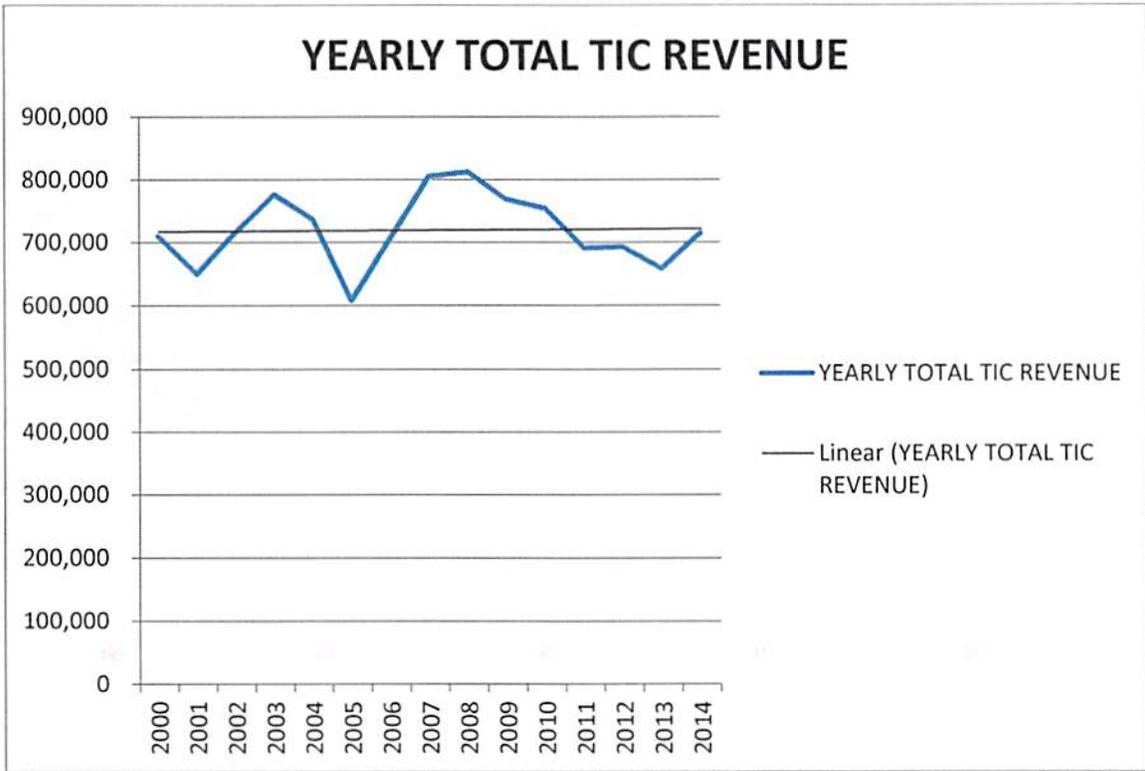
(4) Start of the Great Recession.

(5) Projected from 1st Quarter data. Small business recovery continues.

(6) Includes parking, Internet re-sale, vending machines, copier, fax, etc.







**MILWAUKEE COUNTY RESEARCH PARK
TECHNOLOGY INNOVATION CENTER
SUMMARY OF LEASING ACTIVITY 1993 -2014**

APRIL 18, 2014

YEAR	TENANTS ⁽¹⁾	SPACE LEASED (SQ. FT.) ⁽¹⁾	MONTHLY RENT REVENUE ⁽¹⁾	AVERAGE RENT PER SQ. FT. PER YEAR	YEARLY TOTAL TIC REVENUE ⁽⁶⁾	RENT TO MILWAUKEE COUNTY
1993	x	x	x	x	50,215	22,095
1994	x	x	x	x	185,821	81,761
1995	x	x	x	x	277,572	123,347
1996	x	x	x	x	370,664	169,848
1997	x	x	x	x	441,103	196,650
1998	x	x	x	x	447,570	233,448
1999	x	x	x	x	612,597	285,975
2000	34	75,152	57,643	9.20	708,779	340,064
2001 ⁽²⁾	41	64,026	51,559	9.66	649,823	301,809
2002	42	67,648	56,571	10.04	715,793	314,864
2003	39	69,284	58,764	10.18	775,875	324,500
2004	36	42,947	40,974	11.45	736,788	309,410
2005 ⁽³⁾	37	48,684	49,988	12.32	607,676	225,644
2006	46	60,415	58,462	11.61	705,458	255,097
2007	53	64,110	62,800	11.75	804,376	293,696
2008 ⁽⁴⁾	50	62,099	60,685	11.73	811,446	294,316
2009	54	60,683	58,600	11.59	768,149	284,259
2010	48	58,708	57,519	11.76	753,450	276,288
2011	45	55,559	52,642	11.37	690,128	255,497
2012	42	51,355	49,519	11.57	691,604	252,830
2013	39	53,465	53,918	12.10	657,770	234,872
2014 ⁽⁵⁾	40	56,466	56,537	12.02	713,969	251,274
TOTAL ⁽⁷⁾					10,791,084	4,214,420
YRLY AVE.	43	59,373	55,079	11.22	719,406	280,961

(1) Snap-shot as of December 31 of each year.

(2) Tushaus Computer graduated and moved to building in the Research Park.

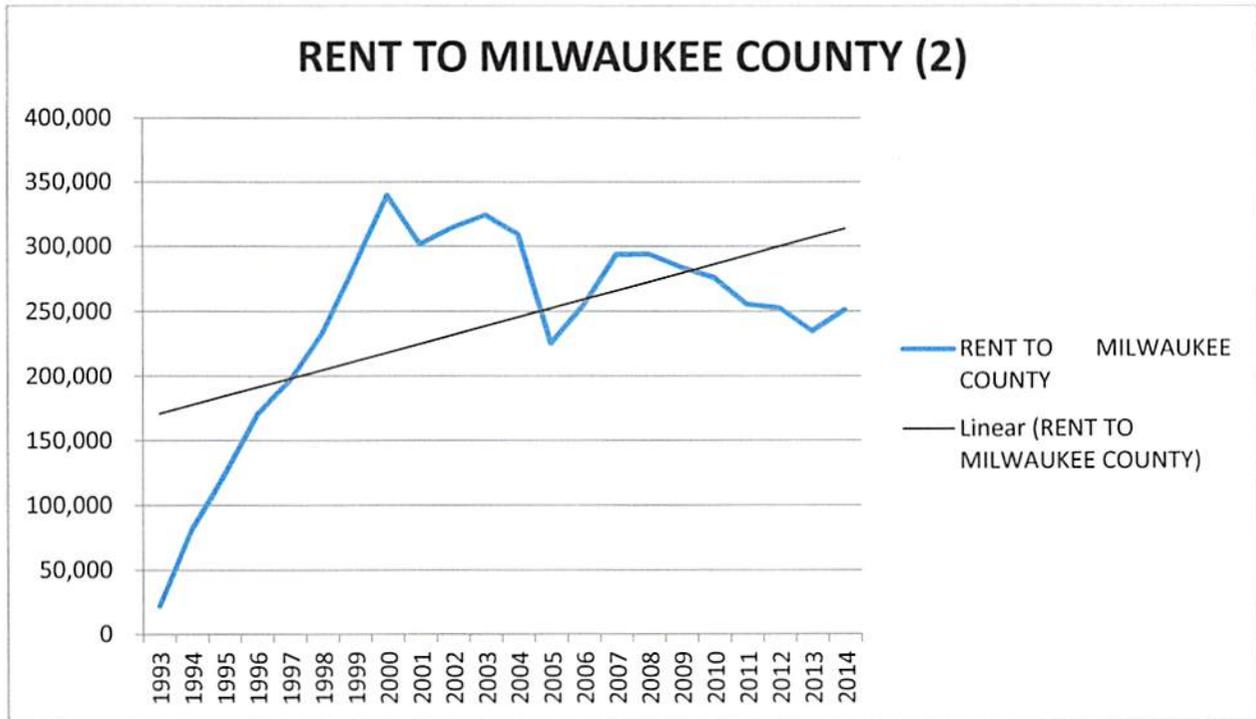
(3) Three largest tenants graduated. Built-out north laboratory wing for Zystor Therapeutics.

(4) Start of the Great Recession.

(5) Projected from 1st Quarter data. Small business recovery continues.

(6) Includes parking, Internet re-sale, vending machines, copier, fax, etc.

(7) Totals for period 2000 to 2014.



Rent to Milwaukee County Since 1993

Total Rent Paid as of May 1, 2014 = \$5,381,324

**MILWAUKEE COUNTY
RESEARCH PARK CORPORATION**
Wauwatosa, Wisconsin

Audited Financial Statements

Year Ended December 31, 2013

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 11
Independent Auditor's Report on Supplemental Information	12
Comprehensive Unrestricted Budget Comparison	13

Steven R. Volz
Thomas G. Wieland
David A. Grotkin
Joel A. Joyce



Brian J. Mechenich
Carrie A. Gindt
Patrick G. Hoffert
Jason J. Wrasse

Independent Auditor's Report

Board of Directors
Milwaukee County Research Park Corporation
Wauwatosa, Wisconsin

We have audited the accompanying financial statements of the Milwaukee County Research Park Corporation ("Corporation") (a nonprofit organization) which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As explained in Note 1 to the financial statements, the Corporation has expensed property and equipment in the period acquired. Accounting principles generally accepted in the United States of America require property and equipment to be recorded at cost, if purchased, or at fair value, if donated or contributed, and those amounts should be depreciated over the estimated useful lives of the assets. The effects on the accompanying financial statement of the failure to depreciate property and equipment over the useful lives have not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Milwaukee County Research Park Corporation, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

April 30, 2014
Milwaukee, Wisconsin

MILWAUKEE COUNTY RESEARCH PARK CORPORATION
Wauwatosa, Wisconsin

Statement of Financial Position - December 31, 2013

ASSETS

Current Assets:

Cash - Checking and on hand	\$ 479,903
Cash - Restricted Money market	250,742
MetLife	643
State investment pool	34,714
Tenant revolving loan account	61,242
Total cash and equivalents	<u>827,244</u>

Accounts receivable:

Accounts receivable - Tenants	9,364
Accounts receivable - Occupants' Association	1,300
Loans receivable	1,710
Accounts receivable - Other	85,235
Total accounts receivable	<u>97,609</u>

Board designated assets at fair value:

State investment pool	251,601
Investments:	
Vanguard	3,573,332
Total board designated assets	<u>3,824,933</u>

Prepaid expense	5,000
Total current assets	<u>4,754,786</u>

Non-current Assets:

Special tenant improvements	27,384
Accumulated amortization special tenant improvements	(26,588)
Prepaid land lease	78
Total other assets	<u>874</u>
Total assets	<u><u>\$ 4,755,660</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable	\$ 13,997
Sales tax payable	165
Accrued pension	2,485
Security deposits - Tenants	60,971
State - Revolving loan funds	49,825
Accrued vacation	6,684
Total current liabilities	<u>134,127</u>

Net Assets:

Unrestricted - DOT designated	432,451
Unrestricted - undesignated	3,853,105
Temporarily restricted	335,977
Total net assets	<u>4,621,533</u>

Total liabilities and net assets	<u><u>\$ 4,755,660</u></u>
---	----------------------------

The accompanying notes to financial statements
are an integral part of these statements.

MILWAUKEE COUNTY RESEARCH PARK CORPORATION

Wauwatosa, Wisconsin

Statement of Activities
Year Ended December 31, 2013

	Unrestricted Net Assets			Temporarily Restricted Net Assets - Research Department	Total
	Research Park	Technology Innovation Center	Total Unrestricted Net Assets		
Revenues:					
Revenue from M-1 Building	\$ ---	\$ 634,818	\$ 634,818	\$ ---	\$ 634,818
Revenue from zoo interchange	413,712	---	413,712	---	413,712
Revenue from tenant services	---	22,952	22,952	---	22,952
Land sale revenue	1,014,280	---	1,014,280	---	1,014,280
Research development fund contribution	---	---	---	55,534	55,534
Miscellaneous revenue	6,816	---	6,816	---	6,816
Short-term investment income	170	170	340	---	340
Board designated funds released	63,105	63,105	126,210	---	126,210
Restricted assets released from restrictions	6,796	59,985	66,781	(66,781)	---
Total revenues	1,504,879	781,030	2,285,909	(11,247)	2,274,662
Expenditures:					
Staff	171,659	171,659	343,318	---	343,318
Office operations	8,816	8,817	17,633	---	17,633
Insurance	6,932	6,932	13,864	---	13,864
Travel	246	246	492	---	492
Professional services	63,637	36,172	99,809	---	99,809
Marketing	367	367	734	---	734
Planning and development	2,505	---	2,505	---	2,505
Land lease expense	1	---	1	---	1
TIC operations and improvements	---	131,815	131,815	---	131,815
Grounds maintenance	25,663	8,860	34,523	---	34,523
Interest expense	---	12	12	---	12
Amortization	---	6,809	6,809	---	6,809
Technical assistance	6,915	---	6,915	---	6,915
Boiler and MMSD Project	429,297	216,745	646,042	---	646,042
Rent payments to Milwaukee County	---	234,872	234,872	---	234,872
Total expenditures	716,038	823,306	1,539,344	---	1,539,344
Board Designated Investment Activity:					
Long-term investment income	26,851	26,851	53,702	---	53,702
Unrealized gain on investments	272,646	272,646	545,292	---	545,292
Board designated funds released	(63,105)	(63,105)	(126,210)	---	(126,210)
Total board designated investment activity	236,392	236,392	472,784	---	472,784
Change in net assets	1,025,233	194,116	1,219,349	(11,247)	1,208,102
Net Assets beginning of year	2,654,446	411,761	3,066,207	347,224	3,413,431
Net Assets end of year	\$ 3,679,679	\$ 605,877	\$ 4,285,556	\$ 335,977	\$ 4,621,533

The accompanying notes to financial statements are an integral part of these statements.

MILWAUKEE COUNTY RESEARCH PARK CORPORATION

Wauwatosa, Wisconsin

Statement of Cash Flows

Year Ended December 31, 2013

Cash Flows From Operating Activities:

Change in net assets	\$ 1,208,102
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized gain on investments	(545,292)
Amortization	6,809
Changes in assets and liabilities:	
Accounts receivable	(33,420)
Prepaid expenses	(901)
Prepaid lease	1
Accounts payable	(246,235)
Sales tax payable	(11)
Security deposits - Tenants	11,819
Accrued pension	1,665
Accrued vacation	(309)
Total adjustments	<u>(805,874)</u>
Total cash provided by operating activities	402,228

Cash Flows From Investing Activities:

Purchase of investments	(723,288)
-------------------------	-----------

Cash Flows From Financing Activities:

Payments on long-term debt	<u>(4,854)</u>
----------------------------	----------------

Net decrease in cash and equivalents (325,914)

Cash and equivalents at beginning of period 1,404,759

Cash and equivalents at end of period \$ 1,078,845

Reconciliation:

Cash and equivalents	\$ 827,244
Board designated - state investment pool	<u>251,601</u>
Total cash and equivalents	<u><u>\$ 1,078,845</u></u>

Supplemental information:

Interest paid	<u><u>\$ 12</u></u>
---------------	---------------------

The accompanying notes to financial statements are an integral part of these statements.

MILWAUKEE COUNTY RESEARCH PARK CORPORATION
Wauwatosa, Wisconsin

Notes to Financial Statements
December 31, 2013

1. Summary of Significant Accounting Policies

Nature of Operations

The Milwaukee County Research Park Corporation ("Corporation") is a nonstock, nonprofit corporation formed in 1987 under Wisconsin Statutes Chapter 181, and in conformance with Wisconsin Statutes section 59.07(149), for the sole purpose of developing a park for research and technology businesses on the parts of the Milwaukee County Institution Grounds that are not required for medical or health institution purposes and are leased, conveyed or otherwise transferred to the Corporation; provided, however, that such development shall, in the judgment of the Corporation, advance the economic and social interests of the community.

In order to develop the park, a Tax Incremental District was formed to fund infrastructure development costs. Milwaukee County agreed to guarantee the City of Wauwatosa bonds to pay for the infrastructure costs. Milwaukee County sold approximately 97.13 acres to the Corporation, which has been resold or leased by the Corporation. In addition, 39 tenants are currently renting 53,465 square feet of space in the Corporation's Technology Innovation Center.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis, except that property and equipment, other than certain recoverable special tenant improvements, is expensed in the year of acquisition.

Basis of Presentation

Financial statements presentation follows the recommendations of accounting principles generally accepted in the United States of America. Under these accounting principles, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets, defined as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Corporation and/or the passage of time

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Corporation

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. State grant awards are classified as refundable advances until expended for the purposes of the grants, since they are conditional promises to give.

MILWAUKEE COUNTY RESEARCH PARK CORPORATION
Wauwatosa, Wisconsin

Notes to Financial Statements
December 31, 2013
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Cash and Equivalents

For purposes of the statement of cash flows, the Corporation considers all demand deposits, money market funds and short-term investments to be cash and equivalents.

Accounts Receivable

Accounts receivable are reported at contract value, less management's estimate for uncollectible amounts based on their experience relative to the total population of accounts receivable. Management has deemed all accounts to be collectible at December 31, 2013.

Property and Equipment

The Corporation expenses all property and equipment acquired in the period of acquisition. Certain special tenant improvements that are recoverable from tenants are capitalized and amortized over three years. Amortization expense for the year was \$6,809.

Tax Status

The Corporation is exempt from United States income tax under Section 501(c)(6) of the Internal Revenue Code. The Corporation is a Wisconsin nonprofit corporation and is exempt from state income tax. None of the Corporation's current activities are subject to taxation as unrelated business income.

The Corporation is no longer subject to U.S. federal informational return examinations for years ending before December 31, 2010.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Financial Accounting Standards Board (FASB) provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

MILWAUKEE COUNTY RESEARCH PARK CORPORATION
Wauwatosa, Wisconsin

Notes to Financial Statements
December 31, 2013
(Continued)

1. Summary of Significant Accounting Policies (Continued)

Investment Valuation and Income Recognition (Continued)

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Realized gains and losses and unrealized appreciation and depreciation of plan assets are reported in the statement of changes in net assets available for benefits as net appreciation in fair value of investments. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Corporation at year-end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Corporation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

All investments held by the Corporation are quoted on a national exchange (Level 1 inputs) and therefore are valued at the last reported sales price, on the date of determination of net asset value on the principal exchange, on which the security trades.

2. Retirement Plan

The Corporation maintains a qualified defined-contribution pension plan for its qualifying employees. The plan requires annual employer contributions of 15% of qualified compensation, less any forfeiture which has occurred in the plan year. Current expenditures for employer contributions amounted to \$31,095.

3. Consulting Agreement

The Corporation has an agreement with a consultant. This agreement can be terminated by the Corporation or consultant with 30 days written notice. Payment is required to the extent of services requested and approved by the Corporation at a rate of \$100 per hour.

MILWAUKEE COUNTY RESEARCH PARK CORPORATION
Wauwatosa, Wisconsin

Notes to Financial Statements
December 31, 2013
(Continued)

4. Short-term Investments

The Corporation's short-term investments consisted of the following at December 31, 2013:

State Investment Pool – non-designated portion	\$ <u>34,714</u>
--	------------------

The State Investment Pool is the primary instrument used by the Corporation to make short-term investments. Investment maturities range from daily to twelve months.

5. Concentration of Credit Risk

The Corporation's credit risks are comprised of accounts receivable and cash. Accounts receivable are for rentals and charges incurred by its tenants in the TIC Building. Cash is invested in accounts which may, from time to time, exceed the coverage afforded by FDIC insurance and/or the State Deposit Guarantee Fund.

6. Revenue Concentrations

Approximately 44% of the Company's revenue was received from Milwaukee County relating to the zoo interchange construction for the year ended December 31, 2013.

7. Tenant Revolving Loan Fund

The Corporation has \$61,242 available as a tenant loan revolving loan fund. This money is a grant from the State of Wisconsin Department of Development, but is only available to the TIC tenants who apply and are approved by the Corporation's Tenant Revolving Fund Committee. As of December 31, 2013 there are no loans outstanding.

8. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed April 30, 2014. See footnote 15 for subsequent event.

9. Temporarily Restricted Net Assets

The temporarily restricted net asset balance is made up of the following:

Research Development Fund	\$ <u>335,862</u>
---------------------------	-------------------

10. Advertising Expense

The Corporation expenses advertising costs as they are incurred. Advertising and promotion expenses for the year ended December 31, 2013 were \$734.

MILWAUKEE COUNTY RESEARCH PARK CORPORATION
Wauwatosa, Wisconsin

Notes to Financial Statements
December 31, 2013
(Continued)

11. Investments

The Corporation created a “board restricted fund” with specific asset allocation guidelines, which had the characteristics of an endowment fund. Subsequently, the Corporation adopted a spending rule that authorized the expenditure of the “board restricted fund” to cover operating expenses.

The Corporation invested the “board restricted fund” in funds maintained by The Vanguard Group and the state investment pool. Investments summarized by fair value and costs (which are calculated as the initial investment plus reinvested income accounts) are as follows:

	<u>Method of Valuation</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Appreciation</u>
Vanguard Mid-Cap Index Fund	Level 1	\$ 400,418	\$ 266,083	\$ 134,335
Vanguard Small-Cap Index Fund	Level 1	423,787	267,871	155,916
Vanguard Total Int'l Stock Index	Level 1	294,993	284,534	10,459
Vanguard Total Stock Market Index Adm.	Level 1	1,723,434	1,238,070	485,364
Vanguard Short-Term Bond Index Adm.	Level 1	361,431	367,774	(6,343)
Vanguard Short-Term Invest-Gr Adm.	Level 1	369,269	374,146	(4,877)
State Investment pool – board designated portion	Level 1	251,601	251,601	---
Board designated investments		<u>\$ 3,824,933</u>	<u>\$ 3,050,079</u>	<u>\$ 774,854</u>

The Corporation’s investments are exposed to various risks of loss, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the values of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statement of financial position and the statement of activities.

12. Leases

The Corporation headquarters are located in a portion of the Technology Innovation Center (TIC) leased under the terms described in the following paragraphs:

The Corporation entered into a ground lease with Milwaukee County for 100 years commencing March 24, 1993 at \$1.00 per year. This lease covers approximately 158 acres consisting of the southwest quadrant, the Watertown Plank Road Park and Ride Lot.

The Corporation entered into a lease with Milwaukee County to manage and sublease the Technology Innovation Center (TIC) through September 30, 2018. The rentable space now comprises most of the basement and the entire first through fifth floors of the building. The rent due Milwaukee County is based on space actually occupied by tenants and requires the Corporation to charge annual base rentals of not less than \$7.50 per tenant occupied square foot, payable monthly. Discounts to the base rental amount require approval by Milwaukee County. As occupancy occurs, the Corporation will pay Milwaukee County 66-2/3% of the base rent collected.

MILWAUKEE COUNTY RESEARCH PARK CORPORATION
Wauwatosa, Wisconsin

Notes to Financial Statements
December 31, 2013
(Continued)

13. Leases - Revenue

The Corporation subleases portions of the TIC to tenants. The leases are for varying terms through March 2018. Total lease revenue for the year ended December 31, 2013 was \$657,770. The leases and lease projections by management are expected to create gross rents (of which the base rent portion will be shared with Milwaukee County) as follows:

2014	\$	672,000
2015		684,000
2016		696,000
2017		708,000
2018		720,000

14. Environmental Remediation

During the year, the Corporation was responsible for remediation of asbestos. Total clean-up costs expensed for the year ended December 31, 2013 was \$2,480.

15. Other Commitments

The Company entered into a contract to refurbish, install and replace entrance signs. The original contract value has a value of \$31,036. As of December 31, 2013 the Company has paid \$10,380 of on this contract.

Subsequent to year end, the Company entered into an accounting service agreement for the period from January 1, 2014 through December 31, 2014. The contract value for 2014 is \$30,400.

16. Easement

The Company received an easement award in the amount of \$188,712 for an agreement entered into with Mayfair Woods for the reconstruction of the entrance along Hwy 100 in connection with the Department of Transportation (DOT) construction for the zoo interchange.

The Company received an easement award in the amount of \$225,000 for an agreement entered into with Inland American Wauwatosa Research for the reconstruction of the entrance along Hwy 100 in connection with the Department of Transportation (DOT) construction for the zoo interchange.

Steven R. Volz
Thomas G. Wieland
David A. Grotkin
Joel A. Joyce



Brian J. Mechenich
Carrie A. Gindt
Patrick G. Hoffert
Jason J. Wrasse

Independent Auditor's Report on Additional Information

Board of Directors
Milwaukee County Research Park Corporation
Wauwatosa, Wisconsin

We have audited the financial statements of the Milwaukee County Research Park Corporation as of and for the year ended December 31, 2013, and have issued our report thereon dated April 30, 2014, which appears on page 1, and was qualified due to the Corporation expensing property and equipment in the period acquired. Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The comprehensive unrestricted budget comparison is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effects on the expensing of property and equipment in the period acquired of the qualified opinion on the financial statements as described above, the information is fairly stated in all material respects in relation to the financial statements as a whole.

April 30, 2014
Milwaukee, Wisconsin

MILWAUKEE COUNTY RESEARCH PARK CORPORATION

Wauwatosa, Wisconsin

Comprehensive Unrestricted Budget Comparison

Year Ended December 31, 2013

	Actual	Budget	Variance Favorable (Unfavorable)	Percent of Budget	
Revenue:					
Rent revenue	\$ 619,488	\$ 631,900	\$ (12,412)	98.0	%
Revenue from zoo interchange	413,712	---	413,712	---	
Parking	15,330	16,600	(1,270)	92.3	
Land sale revenue	1,014,280	---	1,014,280	---	
Investment income	341	600	(259)	56.8	
Fax/copy/internet and miscellaneous revenue	29,768	33,500	(3,732)	88.9	
Long-term investment income	53,702	---	53,702	---	
Unrealized gain on investments	545,291	---	545,291	---	
Board designated funds released	126,210	---	126,210	---	
Restricted assets released from restrictions	66,781	30,000	36,781	222.6	
Total revenue	2,884,903	712,600	2,172,303	404.8	
Expenditures:					
Staff	343,318	345,845	2,527	99.3	
Office operations	17,633	19,075	1,442	92.4	
Insurance	13,864	13,550	(314)	102.3	
Travel	492	1,000	508	49.2	
Professional services	99,808	48,050	(51,758)	207.7	
Marketing	734	2,000	1,266	36.7	
Planning and development	2,505	---	(2,505)	---	
Land lease expense	1	1	---	100.0	
Boiler and MMSD Project	646,042	---	(646,042)	---	
Rent payments to Milwaukee County	234,872	248,879	14,007	94.4	
Incubator operations	100,273	83,300	(16,973)	120.4	
TIC - Improvements	31,543	15,300	(16,243)	206.2	
Grounds maintenance	34,523	31,780	(2,743)	108.6	
Interest expense	12	30	18	40.0	
Amortization	6,809	---	(6,809)	---	
Technical assistance	6,915	10,000	3,085	69.2	
Research Development Scholarships	---	20,000	20,000	---	
Board designated funds released	126,210	---	(126,210)	---	
Total expenditures	1,665,554	838,810	(826,744)	198.6	
Change in net assets	\$ 1,219,349	\$ (126,210)	\$ 1,345,559	---	%

See Independent Auditor's Report on Supplementary Information.

PUBLIC HEARING NOTICE

The County of Milwaukee is inviting citizen comments on the proposed Community Development Block Grant (CDBG) funding and HOME funding for 2015.

Milwaukee County will be receiving 2015 federal CDBG funding totaling approximately \$1,200,000. The CDBG funding is to be shared between Milwaukee County and 16 participating municipalities. The municipal share will be allocated in accordance with Inter-Governmental Cooperation Council policy adopted for this purpose. It is proposed that the County's share be used for County-wide projects. Approximately 20% is set aside for administrative costs. Milwaukee County also will be receiving approximately \$827,000 in HOME funds to be used in 18 participating municipalities.

The Economic and Community Development Committee is holding a public hearing on Monday, June 16, 2014 at 9 a.m. in Rm. 201B of the Milwaukee County Courthouse to obtain the views of county citizens on the general needs of CDBG and HOME funds. Non-profit agencies are eligible to apply for these grants. For further information, please contact Jean Wolfgang at 278-4880 or Jean.Wolfgang@milwcnty.com.



Community Business Development Partners

3

MILWAUKEE COUNTY

Rick Norris, PE, Director, DBE Liaison Officer, ACDBE Liaison Officer

COUNTY OF MILWAUKEE

INTEROFFICE COMMUNICATION

Date: May 20, 2014

To: Supervisor Patricia Jursik, Chair, Economic & Community Development Committee
Supervisor Michael Mayo, Sr., Chair, Transportation, Public Works & Transit Committee

From: Rick Norris, PE, Director, Community Business Development Partners (CBDP)

Subject: Update on Micro Loan Program

Background:

As reported at the committee meeting three primary providers will manage the Micro Loan Program:

1. **Processing, Approvals and Administrative Services.** CBDP will be taking on the primary responsibilities related to the processing, approval and servicing of the loans;
 2. **Underwriting and Analysis.** Lincoln Opportunity Fund, LLC will perform the underwriting analysis;
 3. **Custodial Services.** Micro Loan funds will be deposited and held at Tri-City Bank National Bank .
- This approach allows Milwaukee County to get the program underway in the most efficient and economical way for those DBE/SBE/ACDBE firms benefiting from the program.

Update:

In effort to launch the Micro Loan Program a tentative agreement with Lincoln Opportunity Fund, LLC was reached. Corporation Counsel has reviewed the agreement and had some minor modifications to the contract language. On Wednesday, June 4, 2014, Lincoln Opportunity Fund, LLC received a copy of the revised agreement for their signature.

CBDP provided sample application forms developed for the Revolving Loan Program to Lincoln Opportunity Fund, LLC for their review and consideration. After a review of the sample documents Lincoln Opportunity Fund, LLC concluded that the level of effort to service the Microloan application might not require as much time as originally envisioned. As a result, Lincoln Opportunity Fund, LLC offered to service the first application at no charge to gauge the effort needed to process an application. Based on Lincoln Opportunity Fund, LLC assessment the cost to perform the underwriting service should not exceed \$200 per applicant.

The final tasks remaining in the process is to obtain Board approval to open an account with Tri City National Bank. Upon Milwaukee County Board approval to open an account with Tri City National Bank, the Director of Administration will request approval from the Board to deposit the \$100,000 check from the Potawatomi organization into the Tri City National Bank account.

Approved by:



Rick Norris, PE
Director, CBDP

cc: Chris Abele, County Executive
Don Tyler, Director of Administrative Services
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Amy Pechacek, Director, Risk Management
Raisa Koltun, Director of Legislative Affairs, Co. Exec's Ofc
Josh Fudge, Director, PSB
Chris Lindberg, Director of IMSD



MILWAUKEE COUNTY

Rick Norris, PE, Director, DBE Liaison Officer, ACDBE Liaison Officer

COUNTY OF MILWAUKEE INTEROFFICE COMMUNICATION

Date: May 20, 2014

To: Supervisor Patricia Jursik, Chair, Economic & Community Development Committee
Supervisor Michael Mayo, Sr., Chair, Transportation, Public Works & Transit Committee

From: Rick Norris, PE, Director, Community Business Development Partners (CBDP)

Subject: Request to Open a Banking Account for CBDP's Micro Loan Program with Tri City National Bank

Background:

North Milwaukee State Bank (NMSB) currently serves the Revolving Loan Program and was asked to perform a familiar service for the Micro Loan Program. For several years NMSB successfully served the Revolving Loan Program. The maximum loan amount is \$30,000 and only certified DBE/ACDBE companies can participate in the Revolving Program. The major difference between the Revolving Loan (4% interest rate) and the Micro loan (5% interest rate) programs is that the maximum loan amount associated with the Micro loan is \$5,000 and the Micro Loan Program is part of the SBE initiative.

Initially, NMSB agreed, however, a few months before the Micro Loan Program was to be rolled out CBDP was informed by NMSB that they were rescinding on the agreement to service the Micro Loan. NMSB informed CBDP that the Micro Loan Program would not be cost-effective to serve. In effort to find a financial institution that would serve as a depository and provide minimum to no serving fees Tri City Bank was selected.

Update:

The Department of Community Business Development Partners (CBDP) is seeking Board approval and authorization to open a bank account associated with the Micro Loan Program at Tri City National Bank, located at 5555 South 108th Street, Hales Corners, WI 53130. The authorization will allow CBDP to deposit funds related to the Micro Loan Program.

The Milwaukee County Comptroller - Audit Department will be responsible for reconciling the bank statements and verifying reports generated by CBDP.

Approved by:

Rick Norris

Rick Norris, PE
Director, CBDP

cc: Chris Abele, County Executive
Raisa Koltun, Chief of Staff, County Executive
Don Tyler, Director of Administrative Services
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Amy Pechacek, Director, Risk Management
Josh Fudge, Director PSB

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

(ITEM NO.) From the Director, Department of Administrative Services Community - Business Development Partners seeking authorization to use Tri City National Bank for the Micro Loan Program, by recommending adoption of the following:

A RESOLUTION

WHEREAS, the North Milwaukee State Bank (NMSB) originally agreed to service Milwaukee County's Micro Loan program, however, a few months before the Micro Loan Program was to be rolled out the Community Business Development Partners Division was informed by NMSB that it was rescinding its agreement to service the Micro Loan; and

WHEREAS, NMSB indicated that the Micro Loan Program would not be cost-effective enough to provide the previously agreed upon service; and

WHEREAS, CBDP subsequently selected Tri City Bank, located at 5555 South 108th Street in Hales Corners, to serve as a depository for the Micro Loan Program; and

WHEREAS, in Tri City Bank will provide the service at either no or minimal service costs; now, therefore,

BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby authorizes the Director of the Department of Administrative Services to use Tri City Bank as the depository and service provider for the Micro Loan Program.

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: May 30, 2014

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Seeking approval to open a banking account at Tri-City National Bank for the Micro Loan Program

FISCAL EFFECT:

- | | |
|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|---|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Adoption of this resolution will not require an expenditure of funds. Any fees associated with the servicing of the Micro Loan Program will be paid with loan proceeds. The fees will not be absorbed in CBDP's budget.

Department/Prepared By Rick Norris, P.E. Director of Community Business Development Partners

Approved by: *Rick Norris*

Date 5/30/2014

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.



Community Business Development Partners
MILWAUKEE COUNTY

RICK NORRIS, PE • Director, DBE Liaison Officer, ACDBE Liaison Officer

INTER-OFFICE COMMUNICATION

DATE: May 7, 2014

TO: Supervisor Marina Dimitrijevic, Chair, Milwaukee County Board of Supervisors
Supervisor Patricia Jursik, Chair, Economic & Community Development Committee
Supervisor Michael Mayo, Sr., Chair, Transportation, Public Works & Transit Committee

FROM: Rick Norris, PE, Director, Community Business Development Partners

SUBJECT: DBE Wavier Report for April 2014 (Original Format)

DIRECTIVE

At the request of the Committee on Economic and Community Development, the Community Business Development Partners Department (CBDP) provides a monthly update on the Disadvantaged Business Enterprise (DBE) utilization waivers requested by, and granted to, Milwaukee County departments/divisions.

At the previous Economic and Community Development Committee CBDP proposed a new format to the DBE Waiver Report. The Committee asked for CBDP to provide the original format and the proposed New Format. This is the Original Format.

BACKGROUND

CBDP is responsible for designing, implementing, monitoring and enforcing Milwaukee County's DBE Program in order to maintain compliance with Federal Regulations and Milwaukee County Ordinances. Implementation of the Program includes assignment of participation goals on, both, Federal and County funded contracts, as well as monitoring and enforcing compliance of these contracts. Participation goals may only be established on contracts where opportunities exist for ready, willing and able certified firms to perform commercially useful functions related to the satisfaction of those contracts.

In 1999, the United States Department of Transportation (USDOT) implemented DBE Program rules with seven (7) key objectives directed at creating a level playing field on which certified firms could compete fairly for USDOT-assisted contracts. This legislation, 49 CFR Parts 23 and 26, requires all recipients of USDOT funds to establish and maintain a DBE program that, not only, complies with the intent and language of the legislation, but that has also been reviewed and approved by USDOT. As a result of public and private stakeholder input, Milwaukee County determined and approved, by action of the County Executive and the full County Board, to establish and maintain a program based upon the Federal DBE Program rules and standards for all of its contracts. This action designed to ensure the same level of commitment and consistency in approach to the facilitation of small business involvement when and where appropriate has been enacted in Chapter 42 of the Milwaukee County Code of General Ordinances.

Milwaukee County is required to provide and establish contract opportunities for certified firms on its projects based upon the number of ready, willing and able firms certified to perform within the scope(s) of each of these projects. Only firms certified through Wisconsin's Unified Certification Program (UCP), a consortium of over 24 municipalities and agencies throughout the State, count as ready, willing and able firms for this purpose. Four of the UCP

members serve as certifying partners for the consortium, Milwaukee County, WisDOT, Dane County, and the City of Madison. Milwaukee County has the responsibility of verifying and maintaining the certification status of 356 of the 854 currently certified firms throughout the State, while processing all new applications for DBE certification.

WAIVER REQUESTS

When CBDP receives a waiver request from a department/division, staff thoroughly reviews it and available supporting documentation before rendering a determination. The Director may require staff to gather more comprehensive information or to provide more detailed clarification regarding any identified issues prior to issuing a determination.

WAIVER REPORT SUMMARY

The figures below include Professional & Management Service and Capital Improvement/Maintenance contracts awarded during April of 2014. This report does not include contracts awarded by the Procurement Division of the Department of Administrative Services processes under Chapter 32. Please see the attachment for waivers requested as broken out by owner department, contractor/consultant awarded, scope of services rendered, total contract amounts, and reason for approval.

Total Contracted Dollars for Period	\$ 3,077,044.40
Total Contracted Dollars w/o DBE Participation	\$ 292,039.00
Percentage of Contracts w/o DBE Participation	9.5%
Total Contracted Dollars w/ Waiver Approval	\$ 292,039.00
Percentage of Contracts w/ Waiver Approval	9.5%
Total Contracted Dollars w/o Waiver Approval	\$ 0.00
Percentage of Contracts w/o Waiver Approval	0.0%

It is also important to note that the Milwaukee County Code of General Ordinances exempts various contracts from DBE participation consideration review for services such as those used for the purpose of securing credit rating services related to debt issuance and administration. These exemptions appear as Chapter 56.30(2)(a) and 56.30(10)(a).

Total Contracted Dollars for Period	\$ 3,077,044.40
Total Exempted Contract Dollars	\$ 0.00
Percentage of Exempted Contracts for Period	0.0%

RECOMMENDATION

CBDP prepared this informational report, and recommends that it be received and filed, as such.

Approved by:

Rick Norris

Rick Norris, PE
Director, CBDP

CC: Chris Abele, Milwaukee County Executive

Milwaukee County Community Business Development Partners Department (CBDP) DBE Waiver Report April 2014

DEPARTMENT	CONSULTANT/CONTRACTOR	SCOPE OF SERVICES	CONTRACT AMOUNT	APPROVAL REASON
"ORIGINAL"				
<u>Approved Waivers ¹</u>				
DAS-Facilities Management	Jackson MacCadden	SB Cooling Towers Asbestos	285.00	Annual Consultant Utilization
DAS-Facilities Management	Dixon Engineering, Inc.	Investigating and inspection services for North Reservoir level sensing on County Grounds	1,200.00	Annual Consultant Utilization
Dept. on Aging	Community Relations-SDC	Medicare Outreach	9,233.00	Grant
DHHS-BHD	Hinshaw & Culbertson, LLP	Emergency contract for legal services to represent BHD	20,000.00	Emergency contract
DHHS-Housing Division	Pathfinders Milwaukee, Inc	To provide emergency shelter services	11,727.00	Specialized service
DHHS-Housing Division	La Causa, Inc.	To provide emergency shelter services	15,634.00	Specialized service
DHHS-Housing Division	Salvation Army, Greater Milwaukee Chapter	To provide emergency shelter services	154,080.00	Specialized service
MCSO	Michael A.I. Whitcomb	Legal services	50,000.00	Specialized service
Medical Examiner	Medical College of WI Pathology	Neuropathology consult services performed by Dr. Elizabeth Cochran-MCME	800.00	Under \$2,000.00
Parks	Neuman Pools	Cool Waters Activity Pool Overflow Grate Removal	29,980.00	Contract Specificity

Contracts Issued Without Review ²

None

Exempted Contracts ³

None

Total Contract \$ Amount for Period ⁴	\$3,077,044.40
Total Contract \$ Amount w/o DBE Participation for Period	\$292,039.00
Percentage w/o DBE Participation	9.5%
Total Approved Waiver \$ Amount	\$292,039.00
Percentage Waived	9.5%
Total Unapproved Waiver \$ Amount	\$0.00
Percentage w/o Waiver Approval	0.0%
Total Exempted \$ Amount	\$0.00
Percentage Exempted	0.0%

¹ Waivers approved by CBDP; within guidelines of Code of General Ordinances

² Contracts issued by Departments in violation of the Code of General Ordinances;
CBDP is made aware of these projects when Accounts Payable forwards new contract information

³ These contracts are exempted from Disadvantaged Business Enterprise participation review within the guidelines of Code of General Ordinance Chapter 56.30(2)(a) such as those used for the purpose of securing credit rating services related to debt issuance and administration

⁴ Total does not include Procurement Division Figures



Community Business Development Partners
MILWAUKEE COUNTY

RICK NORRIS, PE • Director, DBE Liaison Officer, ACDBE Liaison Officer

INTER-OFFICE COMMUNICATION

DATE: May 7, 2014

TO: Supervisor Marina Dimitrijevic, Chair, Milwaukee County Board of Supervisors
Supervisor Patricia Jursik, Chair, Economic & Community Development Committee
Supervisor Michael Mayo, Sr., Chair, Transportation, Public Works & Transit Committee

FROM: Rick Norris, PE, Director, Community Business Development Partners

SUBJECT: DBE Wavier Report for April 2014 (New Format)

DIRECTIVE

At the request of the Committee on Economic and Community Development, the Community Business Development Partners Department (CBDP) provides a monthly update on the Disadvantaged Business Enterprise (DBE) utilization waivers requested by, and granted to, Milwaukee County departments/divisions.

BACKGROUND

CBDP is responsible for designing, implementing, monitoring and enforcing Milwaukee County's DBE Program in order to maintain compliance with Federal Regulations and Milwaukee County Ordinances. Implementation of the Program includes assignment of participation goals on, both, Federal and County funded contracts, as well as monitoring and enforcing compliance of these contracts. Participation goals may only be established on contracts where opportunities exist for ready, willing and able certified firms to perform commercially useful functions related to the satisfaction of those contracts.

In 1999, the United States Department of Transportation (USDOT) implemented DBE Program rules with seven (7) key objectives directed at creating a level playing field on which certified firms could compete fairly for USDOT-assisted contracts. This legislation, 49 CFR Parts 23 and 26, requires all recipients of USDOT funds to establish and maintain a DBE program that, not only, complies with the intent and language of the legislation, but that has also been reviewed and approved by USDOT. As a result of public and private stakeholder input, Milwaukee County determined and approved, by action of the County Executive and the full County Board, to establish and maintain a program based upon the Federal DBE Program rules and standards for all of its contracts. This action designed to ensure the same level of commitment and consistency in approach to the facilitation of small business involvement when and where appropriate has been enacted in Chapter 42 of the Milwaukee County Code of General Ordinances.

Milwaukee County is required to provide and establish contract opportunities for certified firms on its projects based upon the number of ready, willing and able firms certified to perform within the scope(s) of each of these projects. Only firms certified through Wisconsin's Unified Certification Program (UCP), a consortium of over 24 municipalities and agencies throughout the State, count as ready, willing and able firms for this purpose. Four of the UCP members serve as certifying partners for the consortium, Milwaukee County, WisDOT, Dane County, and the City of Madison. Milwaukee County has the responsibility of verifying and maintaining the certification status of 356 of the 854 currently certified firms throughout the State, while processing all new applications for DBE certification.

WAIVER REQUESTS

When CBDP receives a waiver request from a department/division, staff thoroughly reviews it and available supporting documentation before rendering a determination. The Director may require staff to gather more comprehensive information or to provide more detailed clarification regarding any identified issues prior to issuing a determination.

WAIVER REPORT SUMMARY

The figures below include Professional & Management Service and Capital Improvement/Maintenance contracts awarded during April of 2014. This report does not include contracts awarded by the Procurement Division of the Department of Administrative Services processes under Chapter 32. Please see the attachment for waivers requested as broken out by owner department, contractor/consultant awarded, scope of services rendered, total contract amounts, and reason for approval.

Total Contracted Dollars for Period	\$ 3,077,044.40
Total Contracted Dollars w/o DBE Participation	\$ 292,039.00
Percentage of Contracts w/o DBE Participation	9.5%
Total Contracted Dollars w/ Waiver Approval	\$ 100,565.00
Percentage of Contracts w/ Waiver Approval	3.27%
Total Contracted Dollars w/o Waiver Approval	\$ 0.00
Percentage of Contracts w/o Waiver Approval	0.0%

It is also important to note that the Milwaukee County Code of General Ordinances exempts various contracts from DBE participation consideration review for services such as those used for the purpose of securing credit rating services related to debt issuance and administration. These exemptions appear as Chapter 56.30(2)(a) and 56.30(10)(a).

Total Contracted Dollars for Period	\$ 3,077,044.40
Total Exempted Contract Dollars	\$ 191,474.00
Percentage of Exempted Contracts for Period	6.22%

RECOMMENDATION

CBDP prepared this informational report, and recommends that it be received and filed, as such.

Approved by:



Rick Norris, PE
Director, CBDP

CC: Chris Abele, Milwaukee County Executive

Monthly Waiver Report for April 2014

Prepared by the Department of Community Business Development Partners

"New Format"

Director's Report

¹ These contracts are exempted from Disadvantaged Business Enterprise participation review within the guidelines of Code of General Ordinance Chapter 56.30(2)(a). Not included in the the waiver calculations.

² Waivers approved by CBDP; within guidelines of Code of General Ordinances

³ Contracts issued by Departments in violation of the Code of General Ordinances, CBDP is made aware of these projects when Accounts Payable forwards new contract information.

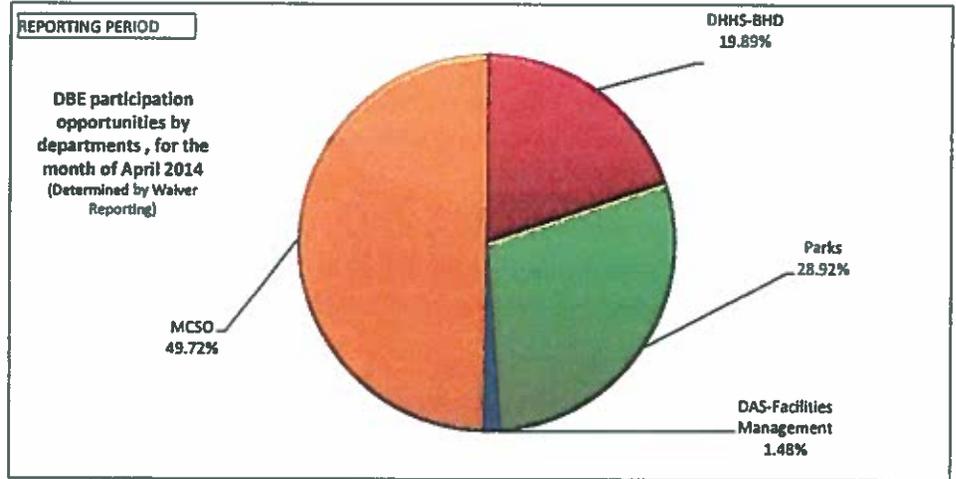
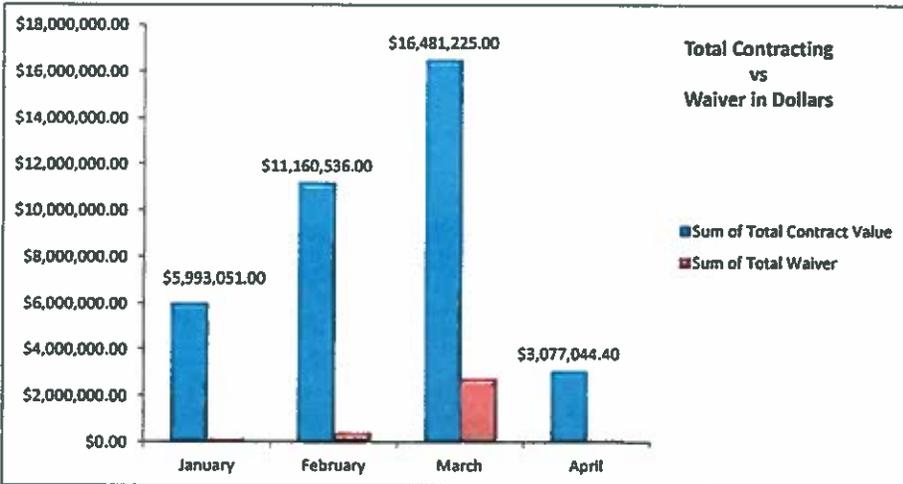
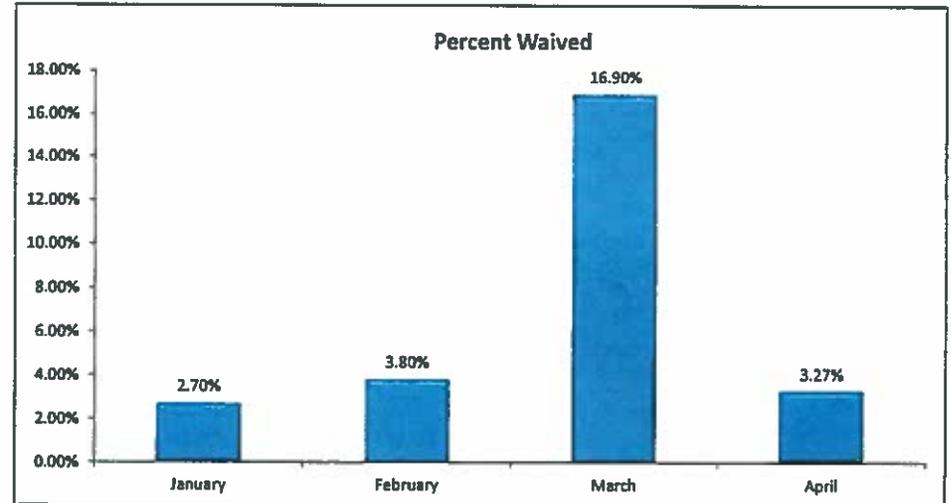
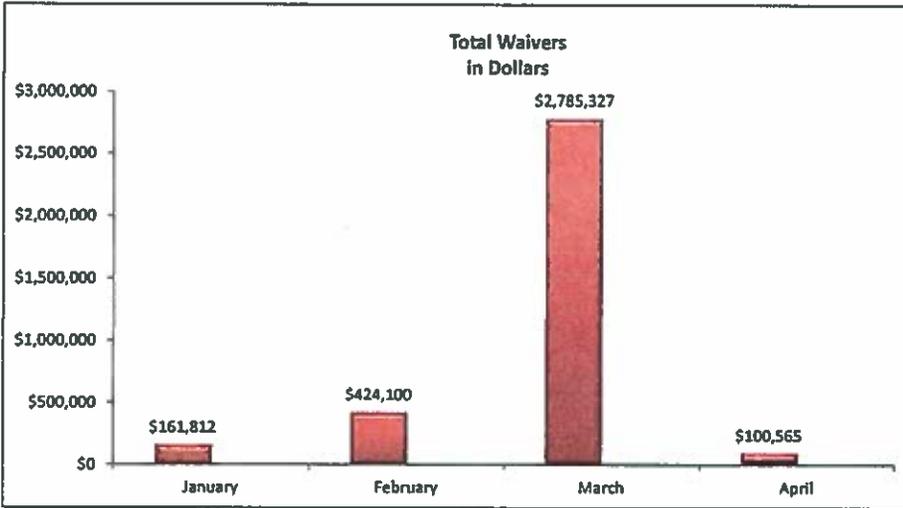
⁴ Total does not include Procurement Division Figures

Total Contract \$ Amount for Period ⁴	\$	3,077,044
Total Contract \$ Amount w/o DBE Participation for Period	\$	292,039
Percentage w/o DBE Participation		9.49%
Total Approved Waiver \$ Amount ²	\$	100,565
Percentage Waived ²		3.27%
Total Unapproved Waiver \$ Amount ³	\$	-
Percentage w/o Waiver Approval ³		0.00%
Total Exempted \$ Amount	\$	191,474
Percentage Exempted from Waiver Calculations		6.22%

REPORTING Ending PERIOD 4/30/2014

DEPARTMENT	CONSULTANT/CONTRACTOR	SERVICES	COMMENTS	EXEMPTED	Waived
Dept. on Aging	Community Relations-SDC	Medicare Outreach	Grant	\$ 9,233.00	
		Emergency contract for legal services to represent BHD			
DHHS-BHD	Hinshaw & Culbertson, LLP		Emergency contract	\$ -	\$ 20,000.00
Parks	Neuman Pools	Cool Waters Activity Pool Overflow Grate Removal	Contract Specificity	\$ -	\$ 29,080.00
DAS-Facilities Management	Jackson MacCudden	SB Cooling Towers Asbestos	Annual Consultant Utilization	\$ -	\$ 285.00
	Dixon Engineering, Inc.	Investigating and inspection services for North Reservoir level sensing on County Grounds	Annual Consultant Utilization	\$ -	\$ 1,200.00
DHHS-Housing Division	Pathfinders Milwaukee, Inc	To provide emergency shelter services	Specialized Service	\$ 11,727.00	
	La Causa, Inc.	To provide emergency shelter services	Specialized Service	\$ 15,634.00	
	Salvation Army, Greater Milwaukee Chapter	To provide emergency shelter services	Specialized Service	\$ 154,080.00	
MCSO	Michael A.I. Whitcomb	Legal services	Specialized Service	\$ -	\$ 50,000.00
Medical Examiner	Medical College of WI Pathology	Neuropathology consult services performed by Dr. Elizabeth Cochran-MCMEQ	Under \$2,000.00	\$ 800.00	
Grand Total				\$ 191,474.00	\$ 100,565.00

DASHBOARD



COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

6

DATE: May 30, 2014

TO: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM: Teig Whaley-Smith, Economic Development Director, Department of Administrative Services

SUBJECT: Requesting authorization from the Milwaukee County Board of Supervisors to pay invoices for DAS-Economic Development expenditures allocated in the 2014 Milwaukee County Operating Budget

REQUEST

Approval for DAS-Economic Development to make payments related to its memberships, including Milwaukee Area Workforce Funding Alliance, Metropolitan Milwaukee Association of Commerce, VISIT Milwaukee, Aerotropolis, and East Wisconsin Counties Railroad Consortium.

BACKGROUND

The Milwaukee County Board of Supervisors and the Milwaukee County Executive adopted the 2014 Milwaukee County Operating Budget on November 21, 2013.

The 2014 Milwaukee County Operating Budget allocated funds for DAS-Economic Development, Unit No. 1192, for Advertising and Memberships, but did not provide specific details in the budget narrative about expenditures related to the following memberships:

- The Milwaukee Area Workforce Funding Alliance - provides Milwaukee County access to federal matching funds and industry recognized monitoring for its workforce investments.
- The Metropolitan Milwaukee Association of Commerce - provides Milwaukee County access to the business recruitment efforts, planning and data of the Milwaukee 7 initiative.
- Aerotropolis - seeks to develop an efficient, interconnected, sustainable, multi-modal freight and passenger transportation complex serving southeastern Wisconsin that spurs economic development in Milwaukee County.
- VISIT Milwaukee - provides marketing for Milwaukee County's cultural assets and critical support to the tourism industry which annually brings \$2.9 billion in business sales to businesses in Milwaukee County.
- The East Wisconsin Counties Railroad Consortium - provides access to state matching funds to upgrade and connect the freight rail system in Southeastern Wisconsin; providing much needed access to businesses in Milwaukee County.

Additionally, the Economic Development Division benefits from the training and resources provided by economic development associations such as the International Economic Development Council, Wisconsin Economic Development Association, and CEO for Cities.

Since the 2014 Milwaukee County Operating Budget included funding but did not specifically authorize DAS-Economic Development to prepare payments related to its memberships; Accounts Payable needs board authorization to pay the invoices for said memberships.

- Milwaukee Area Workforce Funding Alliance: \$10,000
- Metropolitan Milwaukee Association of Commerce: \$10,000
- Aerotropolis: \$7,500
- VISIT Milwaukee: \$25,000
- East Wisconsin Counties Railroad Consortium: \$25,000
- CEO for Cities: \$1,500
- International Economic Development Council: \$1,550
- Wisconsin Economic Development Association: \$1,930

The Milwaukee County Board of Supervisors and County Executive previously approved DAS-Economic Development's expenditures related to these memberships in the 2014 Milwaukee County Operating Budget. Additionally, the Economic Development Division is seeking authorization to join and make membership payments to other membership based organizations that, in the Division's discretion, are to the benefit of economic and community development efforts of Milwaukee County; provided that annual total for these amounts does not exceed the Division's budget for advertising and memberships.

RECOMMENDATION

The Director of County Economic Development, Department of Administrative Services, recommends the Milwaukee County Board of Supervisors authorizes invoice payments for DAS-Economic Development expenditures allocated for in the 2014 Milwaukee County Operating Budget.

Teig Whaley-Smith

Economic Development Director, Department of Administrative Services

cc: Chris Abele, County Executive
Economic and Community Development Committee Members
Finance, Personnel and Audit Committee Members
Don Tyler, Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Raisa Koltun, Director of Legislative Affairs, County Executive's Office
Josh Fudge, Director of Office of Performance, Strategy and Budget
Julie Esch, Director of Operations, DAS
Jill Suurmeyer, Research Analyst, Comptroller's Office
Vincent Masterson, DAS-PB Strategic Asset Coordinator

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43

(ITEM) From the Director of County Economic Development, Department of Administrative Services, recommending the Milwaukee County Board of Supervisors authorizes invoice payments for DAS-Economic Development expenditures allocated for in the 2014 Milwaukee County Operating Budget.

A RESOLUTION

WHEREAS, Milwaukee County Board of Supervisors and the Milwaukee County Executive adopted the 2014 Milwaukee County Operating Budget on November 21, 2013; and

WHEREAS, the new format of the Milwaukee County Operating Budget does not include detailed funding narratives for programs in county departments;

WHEREAS, the 2014 Milwaukee County Operating Budget allocated funds for DAS-Economic Development, Unit No. 1192, for Advertising and Memberships, but did not provide specific details in the budget narrative about expenditures related to the following memberships: Milwaukee Area Workforce Funding Alliance, Metropolitan Milwaukee Association of Commerce, VISIT Milwaukee, Aerotropolis, and East Wisconsin Counties Railroad Consortium; and

WHEREAS, the 2014 Milwaukee County Operating Budget did not specifically authorize DAS-Economic Development to approve invoices related to its memberships, and without specific authorization concerning the allocation of funds to specific memberships, Accounts Payable will not approve invoices for said memberships; and

WHEREAS, the Milwaukee Area Workforce Funding Alliance provides Milwaukee County access to federal matching funds and industry recognized monitoring for its workforce investments; and

WHEREAS, the Metropolitan Milwaukee Association of Commerce provides Milwaukee County access to the business recruitment efforts, planning and data of the Milwaukee 7 initiative; and

WHEREAS, Aerotropolis seeks to develop an efficient, interconnected, sustainable, multi-modal freight and passenger transportation complex serving southeastern Wisconsin that spurs economic development in Milwaukee County; and

WHEREAS, VISIT Milwaukee provides marketing for Milwaukee County’s cultural

44 assets and critical support to the tourism industry which annually brings \$2.9 billion in
45 business sales to businesses in Milwaukee County; and

46

47 WHEREAS, the East Wisconsin Counties Railroad Consortium provides access to
48 state matching funds to upgrade and connect the freight rail system in Southeastern
49 Wisconsin; providing much needed access to businesses in Milwaukee County; and

50

51 WHEREAS, the Economic Development Division benefits from the training and
52 resources provided by economic development associations such as the International
53 Economic Development Council, Wisconsin Economic Development Association, and
54 CEO for Cities; and

55

56 WHEREAS, the Milwaukee County Board of Supervisors and County Executive
57 previously approved DAS-Economic Development's expenditures related to these
58 memberships in the 2014 Milwaukee County Operating Budget; now, therefore,

59

60 BE IT RESOLVED, that Milwaukee County authorizes the payment of the following
61 amounts for Economic and Community Development programs and memberships:

62

- 63 • Milwaukee Area Workforce Funding Alliance: \$10,000
- 64 • Metropolitan Milwaukee Association of Commerce: \$10,000
- 65 • Aerotropolis: \$7,500
- 66 • VISIT Milwaukee: \$25,000
- 67 • East Wisconsin Counties Railroad Consortium: \$25,000
- 68 • CEO for Cities: \$1,500
- 69 • International Economic Development Council: \$1,550
- 70 • Wisconsin Economic Development Association: \$1,930

71

72

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: May 30, 2014

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Director of County Economic Development, Department of Administrative Services, recommending the Milwaukee Board of Supervisors authorizes invoice payments for DAS-Economic Development expenditures allocated for in the 2014 Milwaukee County Operating Budget.

This fiscal note was prepared by the Comptroller's Research Services Division on behalf of DAS-Economic Development.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. Approval of this resolution would authorize the payment of invoices for the following memberships Milwaukee Area Workforce Funding Alliance (\$10,000), Metropolitan Milwaukee Association of Commerce (\$10,000), VISIT Milwaukee (\$25,000), Aerotropolis (\$7,500), East Wisconsin Counties Railroad Consortium (\$25,000), CEO For Cities (\$1,500), International Economic Development Council (\$1,550) and Wisconsin Economic Development Association (\$1,930).

B. Approval of this resolution would authorize \$82,480 in expenditures contemplated when the 2014 Adopted Budget was approved. The funds for the aforementioned memberships were allocated in the 2014 operating budget but not expressly itemized to warrant approval by accounts payable staff.

C. None.

D. None.

Department/Prepared By Jill Suurmeyer, Research and Policy Analyst,
Office of the Comptroller

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

7

DATE: May 30, 2014

TO: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM: Teig Whaley-Smith, Economic Development Director, Department of Administrative Services

SUBJECT: Purchase Proposal from the City of West Allis on multiple County-owned tax deeded properties, located in the City of West Allis

REQUEST

Authorization to sell a package of five County owned properties to the City of West Allis, pursuant to County Board Resolution File No. 02-14 related to offers to purchase of lands under County Control.

BACKGROUND

The Economic Development Division, working in conjunction with the City of West Allis have identified five County owned foreclosed properties which the City wishes to purchase.

The Properties;

- A) 2065 S 57th St
- B) 1566 S 64th St
- C) 2104 S 70th St
- D) 6215 W National Ave
- E) 8614 W Mitchell St

Properties A, B, and C are all Single family homes with conditions that range from fair to condemned. Sale price for all properties would be the appraised value. The property on W National Ave is a commercial vacant lot and was the subject of an earlier County Resoultion (File No. 13-797) where the Board approved its sale contingent upon a successful MOU terminating all storm water management fees the City is charging to County owned land.

This current purchase proposal is contingent upon discontinuing those fees and includes a newly drafted MOU between the City and County which has been developed in conjunction with the City of West Allis and by Milwaukee County Parks.

RECOMMENDATION

Approval to work with the City of West Allis and acceptance of their offer is recommended. The City's plan for properties A, B, C and E is to demolish the existing homes and replace with new affordable housing homes that will be financed through Federal Home Funds. Property D, (National Ave) was addressed in File 13-797 and will be used for public parking in the Downtown West Allis business district.

Teig Whaley-Smith, Economic Development Director
Department of Administrative Services

Attachments: (A): Map of the Parcels,
(B): MOU

cc: Chris Abele, County Executive
Economic and Community Development Committee Members
Finance, Personnel and Audit Committee Members
Don Tyler, Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Julie Esch, Director of Operations, Department of Administrative Services
Raisa Koltun, Director of Legislative Affairs, Office of the County Executive
Jill Suurmeyer, Research Analyst, Comptroller's Office
David Cialdini, Real Estate Agent, Project Manager, DAS-Economic
Development

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45

(ITEM) A resolution to authorize Economic Development to sell a package of five properties to the City of West Allis, pursuant to County Board Resolution File No. 02-14 related to offers to purchase of lands under County Control, by recommending adoption of the following:

A RESOLUTION

WHEREAS, the Economic Development Division of the Department of Administrative Services wishes to enter into a purchase agreement with the City of West Allis on a package of five Tax Deeded properties located within the City of West Allis.

WHEREAS, Milwaukee County has taken ownership of the properties due to unpaid property taxes; and

WHEREAS, the properties currently have an undesignated use and is not part of any current disposition plan; and

WHEREAS, the properties located at 2065 S 57th St, 1566 S 64th St, 2104 S 70th St, and 8614 W Mitchell St. are residential single family homes or duplexes which range in condition from fair to condemned; and

WHEREAS, representatives from West Allis have a desired interest in acquiring the Residential properties in an effort to rehabilitate the sites, return them to private ownership thus returning them to the tax roll and strengthening the overall economic condition of the city; and

WHEREAS, the property at 6215 W National Ave. is a vacant lot zoned commercial and is situated in the West Allis downtown district, which consists of Commercial and Residential developments; and

WHEREAS, the city wishes to convert the commercial lot on National Ave into public parking and alleviate the parking shortage that local businesses are experiencing in the downtown area; and

WHEREAS, the City of West Allis is currently assessing storm-water management fees to County Owned properties within the municipality and thus restricted from purchasing property from the County; and

WHEREAS, the conveyance of these properties would be contingent upon West Allis signing an agreement which would discontinue current storm water fees and assessments on County Property in the municipality; and

46 WHEREAS, the City of West Allis agrees for purchase the properties for its appraised
47 fair market value; therefore

48

49 BE IT RESOLVED that the Economic Development Division is hereby authorized to
50 sell the properties to the City of West Allis for its appraised value, provided that the city of
51 West Allis enters into an agreement which would suspend all storm water fees and
52 assessments on County Property in the City of West Allis; and

53

54 BE IT FURTHER RESOLVED, that the County Executive and the County Clerk are
55 hereby authorized to convey by Quit Claim Deed the properties located at 2065 S 57th St,
56 1566 S 64th St, 2104 S 70th St, 8614 W Mitchell St. and 6215 W National Ave, West Allis
57 Wisconsin, to the City of West Allis pursuant to the requirements of this resolution.

58

59 BE IT FURTHER RESOLVED, that the County Executive and the County Clerk and/or
60 other appropriate County officials be hereby authorized to execute, after Corporation
61 Counsel approval, any and all instruments, rights of entry, documents that are called out in
62 the Purchase Agreement and required to implement the intent of this resolution, including
63 without limitation a Quit Claim Deed for the property and the attached Memorandum of
64 Understanding;

65

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: June 2, 2014

Original Fiscal Note X

Substitute Fiscal Note

SUBJECT: Authorization to sell County owned excess properties at 2065 S 57th St, 1566 S 64th St, and, 2104 S 70th St, 6215 W National Ave, and 8614 W Mitchell St, West Allis Wisconsin

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| x Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| x Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	(25,000)	
	Revenue	215,530	
	Net Cost	\$240,530	
Capital Improvement Budget	Expenditure		
	Revenue		
	Net Cost		

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A package of five tax deeded properties was acquired by the Milwaukee County Treasurer through foreclosure because of non payment of real estate taxes. Economic Development has an agreement in place with the City of West Allis to sell one of the properties at the appraised fair market value and the others for back taxes. Sale of these properties will:

- (a) relieve the county of maintenance obligations; the Economic Development Department does not track maintenance costs per parcel, rather the maintenance budget is spread across all parcels, including new inventory; consequently no budget impact is expected but the sale will allow maintenance efforts to be focused on newly acquired parcels; and
- (b) reimburse the Treasurer for any outstanding balance incurred by the Treasurer pursuant to Milwaukee County Ordinances 6.03(3)(a). The current balance of outstanding taxes and interest is \$190,530.00; and the transactions will pay an administrative fee of \$25,000 towards Economic Development Division's budgeted revenue.
- (c) The execution of the MOU eliminating all Storm water management fees is expected to relieve the Parks operating budget by \$25,000 for 2014.

Department/Prepared By Teig Whaley-Smith, Economic Development Director

Authorized Signature _____


Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

ATTACHMENT B

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is made and entered into this _____ day of _____, 2014, by and between the COUNTY OF MILWAUKEE, a Wisconsin municipal corporation, (the “County”) and the CITY OF WEST ALLIS, a Wisconsin municipal corporation, (the “City”).

RECITALS

WHEREAS, the County is in ownership of the following parcels, legally described on Exhibit A:

1. 6215 W. National Ave, West Allis, WI;
2. 2065 S 57th St., West Allis, WI
3. 1566 S 64th St., West Allis, WI
4. 2104 S 70th St, West Allis, WI
5. 8614 W Mitchell St, West Allis, WI

(together the “Property”); and

WHEREAS, The City deems it in its best interest to acquire the Property for municipal purposes; namely, converting the Property at 6215 W. National Ave. into public parking to help serve business owners and customers in the downtown West Allis district; and rehabbing the remainder of the Property for residential purposes.

WHEREAS, The City, based upon the appraisal obtained by the city, has submitted to the County an offer to purchase 6215 W. National Avenue in the amount of Thirty-one Thousand Eight Hundred Dollars (\$31,800.00); and has expressed an interest in acquiring the remainder of the Property.

WHEREAS, The County appraised value for 6215 W. National Avenue is Thirty-seven Thousand Dollars (\$37,000.00); the County has not yet received the appraisals for the remainder of the Property

WHEREAS, The City currently assesses all county-owned properties, including Parks properties, a fee related to the management of storm waters and sewer uses. The County believes that it should be exempt from the imposition of any municipal fees on county-owned land.

WHEREAS, The County currently assesses the City a charge for ingress/egress easements. The City believes that it should be exempt from the imposition of such ingress/egress easement charges.

WHEREAS, The Parties deem it in their best interest that the City acquires the Property for the purpose of improving the overall economic health of West Allis and Milwaukee County.

ATTACHMENT B

NOW THEREFORE, in consideration of the terms and provisions contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, it is agreed as follows:

PROVISIONS:

1. The City shall acquire 6215 W National Avenue from the County in consideration of the sum of Thirty-one Thousand, Eight Hundred Dollars (\$31,800.00) under the terms of a separately executed Offer to Purchase.
2. The City shall have the option to purchase the remainder of the Property for the back taxes on the Property plus \$5,000 per property. This option shall expire on July 31, 2014.
3. As further consideration for the Property, the County shall be exempt from the imposition of any storm water management fees by the City. The City reserves the right to reinstitute the storm water management fees, if it so desires, after January 1, 2015.
4. The City shall use its best efforts to refrain from charging the County any other municipal service fees unless those fees are tied to actual, verifiable expenditures affecting County-owned land.
5. The County shall at no charge grant to the City ingress/egress easements across County-owned lands for locations where the City is responsible for the operation and maintenance of the infrastructure existing thereon as of the date of this Agreement; provided that such ingress and egress does not involve the disturbance of any land, structures, or improvements. Excavation on County-owned lands shall require an additional easement in a standard County form, and negotiations regarding compensation. If the City reinstates the storm water charge as set forth in section 3, the County may, at its discretion, reinstitute charges to the City for easement ingress/egress..
6. This MOU shall be binding upon the City and the County and all their respective successors and assigns. This MOU may not be modified or amended except in writing, signed by both parties hereto. This MOU may be recorded by the County with the Register of Deeds in relation to any property affected.
7. Whenever in the MOU it shall be required or permitted that notice be given by any party hereto to the other, such notice shall be given by registered mail to the addresses indicated below:

To the City:

John F. Stibal
Director of Development
City of West Allis
7525 W. Greenfield Ave.
West Allis WI. 53214

ATTACHMENT B

To the County:
Milwaukee County City Campus
Real Estate Services, 3rd Floor
2711 W. Wells Street
Milwaukee, WI 53208

SIGNATURE PAGE FOLLOWS

ATTACHMENT B

IN WITNESS WHEREOF, the undersigned authorized parties have caused this MOU to be duly executed and delivered as of the date first written above.

COUNTY OF MILWAUKEE

By: _____ Date: _____
Chris Abele
Milwaukee County Executive

CITY OF WEST ALLIS

By: _____ Date: _____
Name:
Title:

Approved as to form and independent status:

Reviewed by:

By: _____ Date: _____
Corporation Counsel

By: _____ Date: _____
Risk Management

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

8

DATE: June 2, 2014

TO: Supervisor Patricia Jursik, Chair, Economic & Community Development Committee

FROM: Teig Whaley-Smith, Economic Development Director, Department of Administrative Services

SUBJECT: Status of Excess Property Sales (File 14-8) (Informational Only)

The Real Estate Services Section of the Economic Development Division reports on a monthly basis, the status of excess property sales. Attached is the report for period beginning April 18, 2014 and ending May 22, 2014.



Teig Whaley-Smith
Economic Development Director, Department of Administrative Services

Attachment

cc: Chris Abele, County Executive
Marina Dimitrijevic, County Board Chairwoman
Economic and Community Development Committee Members
Don Tyler, Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Raisa Koltun, Director of Legislative Affairs, County Executive's Office
Julie Esch, Director of Operations, DAS
David Cialdini, Project Manager, DAS-Economic Development
Jill Suurmeyer, Research Analyst, Comptroller's Office

REAL ESTATE SERVICES SECTION

REVENUE STATUS REPORT Period ending May 22, 2014

CLOSED PROPERTIES

Property	Committee Date	Closed	Gross Sale Proceeds
3802 E Cudahy Ave, Cudahy		January 16, 2014	\$ 9,000.00
		TOTAL	\$ 9,000.00
		2014 Budget	\$ 400,000.00

PENDING PROPERTY CLOSINGS

Property	Committee Date	Pending Closing	Gross Sale Proceeds
6215 W National Ave, West Allis	October 26, 2013	2014	\$ 31,800.00
Block 6E, Park East Development	April 3, 2006	2014	\$ 406,000.00 ¹
		TOTAL	\$ 437,800.00

GENERAL PROPERTY STATUS

Property	Date Made Available	Status	Asking Price
5414-22 S Packard Avenue, Cudahy	June 12, 2006	Available for sale	\$ 35,000.00
3618 E Grange, Cudahy	August 11, 2009	Available for sale	\$ 4,900.00
3749 E Squire, Cudahy	June 21, 2001	Available for sale	\$ 16,900.00
8450 West Beatrice Ct., Milwaukee	August 8, 2008	Available for sale	\$ 375,000.00 ²
9074 S 5 th Ave, Oak Creek	February 12, 2010	Available for sale	\$ 28,900.00
9262 N 60 th Street, Brown Deer	March 11, 2014	Available for sale	Appraisal in Progress
801 E. Ravine Lane, Bayside	March 11, 2014	Available for sale	Appraisal in Progress
7815 N River Road, River Hills	March 11, 2014	Available for sale	Appraisal in Progress
7634 N Senica Road, Fox Point	March 11, 2014	Available for sale	Appraisal in Progress
2525 W Mill Road, Glendale	March 11, 2014	Available for sale	Appraisal in Progress
6034 N Park Road, Glendale	March 11, 2014	Available for sale	Appraisal in Progress
1811 W Silver Spring Drive, Glendale	March 11, 2014	Available for sale	Appraisal in Progress
4430 N 108 th Street, Wauwatosa	March 11, 2014	Available for sale	Appraisal in Progress
801 W Glendale Avenue, Glendale	March 11, 2014	Available for sale	Appraisal in Progress
4104 N Morris Boulevard, Shorewood	March 11, 2014	Available for sale	Appraisal in Progress
10424 W Woodward Avenue, Wauwatosa	March 11, 2014	Available for sale	Appraisal in Progress
2578 Wauwatosa Avenue, Wauwatosa	March 11, 2014	Available for sale	Appraisal in Progress
527 N 98 th Street, Wauwatosa	March 11, 2014	Available for sale	Appraisal in Progress

Property	Date Made Available	Status	Asking Price
5617 W. National Avenue, West Allis	March 11, 2014	Available for sale	Appraisal in Progress
1229 S 76 th Street, West Allis	March 11, 2014	Available for sale	Appraisal in Progress
8614 W Mitchell Street, West Allis	March 11, 2014	Available for sale	Appraisal in Progress
2104 S 70 th Street, West Allis	March 11, 2014	Available for sale	Appraisal in Progress
7133 W Becher Street, West Allis	March 11, 2014	Available for sale	Appraisal in Progress
1566 S 64 th Street, West Allis	March 11, 2014	Available for sale	Appraisal in Progress
1607 S 54 th Street, West Milwaukee	March 11, 2014	Available for sale	Appraisal in Progress
2065 S 57 th Street, West Allis	March 11, 2014	Available for sale	Appraisal in Progress
2151 S 63 rd Street, West Allis	March 11, 2014	Available for sale	Appraisal in Progress
2105 S 79 th Street, West Allis	March 11, 2014	Available for sale	Appraisal in Progress
3410 S Schauer Avenue, Greenfield	March 11, 2014	Available for sale	Appraisal in Progress
3509-11 E Plankinton Avenue, Cudahy	March 11, 2014	Available for sale	Appraisal in Progress
3711E Barnard Avenue, Cudahy	March 11, 2014	Available for sale	Appraisal in Progress
3677 E Carpenter Avenue, Cudahy	March 11, 2014	Available for sale	Appraisal in Progress
3834 E Edgerton Avenue, Cudahy	March 11, 2014	Available for sale	Appraisal in Progress
3901 E Martin Avenue, Cudahy	March 11, 2014	Available for sale	Appraisal in Progress
3127 E Luzerne Avenue, Cudahy	March 11, 2014	Available for sale	Appraisal in Progress
6465 S Whitnall Edge Road, Franklin	March 11, 2014	Available for sale	Appraisal in Progress
2427 W Carrington Avenue, Oak Creek	March 11, 2014	Available for sale	Appraisal in Progress
1628 Carroll Avenue, South Milwaukee	March 11, 2014	Available for sale	Appraisal in Progress
1315 Nicholson Avenue Rear, South Milwaukee	March 11, 2014	Available for sale	Appraisal in Progress
S 35 th Street, Franklin	March 11, 2014	Available for sale	Appraisal in Progress
1606 18 th Avenue, South Milwaukee	March 11, 2014	Available for sale	Appraisal in Progress
2001 7 th Avenue, South Milwaukee	March 11, 2014	Available for sale	Appraisal in Progress
8124 S Lakeview Drive, Franklin	March 11, 2014	Available for sale	Appraisal in Progress
8143 S 34 th Street, Franklin	March 11, 2014	Available for sale	Appraisal in Progress
8474 S Burrell Street, Oak Creek	March 11, 2014	Available for sale	Appraisal in Progress
9139 S 5 th Avenue, Oak Creek	March 11, 2014	Available for sale	Appraisal in Progress
165 E Golden Lane, Oak Creek	March 11, 2014	Available for sale	Appraisal in Progress
10568 S Alton Road, Oak Creek	March 11, 2014	Available for sale	Appraisal in Progress

1. County's share of \$700,000 sales price
2. Net proceeds to Federal Transit Administration or Future Transit Capital Project

SUMMARY DETAIL OF PENDING PROPERTY CLOSINGS

PROPERTY	BUYER	CLOSING	COMMENTS
6215 W National Ave	City of West Allis	2014	Sale is contingent upon a successful MOU eliminating Storm Water Management Fees against Milwaukee County owned properties.

SUMMARY DETAIL OF UWM, INNOVATION PARK, LLC SALE

PROPERTY	BUYER	CLOSING	COMMENTS
NE Quadrant County Grounds	UWM, Innovation Park, LLC	February 15, 2011	<p>Initial \$5 million paid February 15, 2011.</p> <p>Second \$5 million payment was received on February 5, 2014</p> <p>County Board extended each of the purchase price installment payment dates after closing by twenty-four (24) months as follows:</p> <ul style="list-style-type: none">• \$887,500 payable on February 15, 2015• \$887,500 payable on February 15, 2016• \$887,500 payable on February 15, 2017• \$887,500 payable on February 15, 2018

DATE: June 2, 2014

TO: Supervisor Patricia Jursik, Chair, Economic & Community Development Committee

FROM: Teig Whaley-Smith, Economic Development Director, Department of Administrative Services

SUBJECT: Downtown Transit Center Update (File 14-9)

REQUEST

There is no request at this time; this report is for informational purposes only.

BACKGROUND

At the April 15, 2013 ECD Committee meeting a request was made that Economic Development staff ("ED Staff") prepare a monthly written report on the Status of Negotiations with Barrett Visionary Development ("BVD"), using resolution 12-633 as a guidepost ("Resolution"). The text of the resolution is repeated below in italics, with the respective update below.

- 1. Develop a plan to incorporate the components of the Park East Redevelopment Compact (PERC) into the development agreement in order to provide additional sustainable community benefits that includes disadvantaged business opportunities and verified best faith efforts to employ Milwaukee County racial minorities and women in the project.*

In the last month, ED Staff has met frequently with BVD to move negotiations forward. BVD was successful in meeting similar workforce goals in its previous projects and intends to do the same on this project.

- 2. Identify or develop an element of public attraction within the proposed development and ensure the project does not compete with public use facilities near the site.*

Current plans include public access across Lincoln Memorial Drive, public access throughout the elevated first floor, public parking and other public attractions that do not compete with public use facilities near the site.

- 3. Advise the Committee on Economic and Community Development on the appraised value of the site with the understanding that the County Board expects to receive fair market value for the property.*

ED staff has received an appraisal. The appraisal, together with demolition, environmental remediation, other cost estimates, and public benefits negotiated will be used to establish a purchase price.

4. *Work with the Parks Director and the Wisconsin Department of Natural Resources to determine if any portion of the development site is in conflict with the lakebed public trust doctrine.*

The State of Wisconsin has specified that the development site and other applicable sites west of the 1913 line are "not part of the lake bed of Lake Michigan" (Wis. Stats. Sec. 30.2038).

5. *Prepare written reports for each monthly meeting of the Committee on Economic and Community Development on the status of the negotiations with Barrett Visionary Development with the understanding that the committee may, at its discretion, direct that a Request for Proposal (RFP) process be initiated if negotiations do not progress.*

This report is designed to meet this requirement.

RECOMMENDATION

There is no recommendation at this time; this report is for informational purposes only.



Teig Whaley-Smith
Economic Development Director, Department of Administrative Services

cc: Chris Abele, County Executive
Marina Dimitrijevic, County Board Chairwoman
Economic and Community Development Committee Members
Don Tyler, Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Raisa Koltun, Director of Legislative Affairs, County Executive's Office
Julie Esch, Director of Operations, DAS
Jill Suurmeyer, Research Analyst, Comptroller's Office