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3 From Corporation Counsel, Office of Corporation Counsel, requesting authorization to  
4 initiate a lawsuit involving the payment of prevailing wages under the Development  
5 Agreement with the University of Wisconsin Milwaukee for the Innovation Campus  
6 Residence Inn project, by recommending adoption of the following:  
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8 **A RESOLUTION**  
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10 WHEREAS, in February of 2011, Milwaukee County (the County) sold land to  
11 the University of Wisconsin-Milwaukee (UWM) to be administered by the UWM Real  
12 Estate Foundation, Inc., which included a development agreement between the County  
13 and UWM with certain terms and conditions by which the property would be developed  
14 in accordance with labor standards and wages in applicable labor contracts in the  
15 construction industry; and  
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17 WHEREAS, the UWM Real Estate Foundation, Inc., subsequently contracted for  
18 the development with developer Tosa Hotel, LLC (the Developer); and  
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20 WHEREAS, the Developer, then contracted with VJS Construction as the general  
21 contractor, which it then replaced with Core Construction of Indiana, LLC (Core); and  
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23 WHEREAS, in the summer of 2016, Trillium Construction, a subcontractor on the  
24 project, notified the County that Core paid its subcontractors on the project the  
25 residential prevailing wage rate instead of the building or heavy construction commercial  
26 prevailing wage rate; and  
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28 WHEREAS, the Economic Development Division, Department of Administrative  
29 Services, estimates the pay discrepancy at approximately \$725,450; and  
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31 WHEREAS, Core continues to verify its numbers, including fringe benefits,  
32 apprentice rates, and other calculations to present a final comparison; and  
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34 WHEREAS, even though a draft settlement and release agreement has been  
35 drafted by the parties, Core continues to assert that the residential prevailing wage rate  
36 applies to the UWM Innovation Campus Residence Inn project; and  
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38 WHEREAS, the Office of Corporation Counsel (OCC) believes that this issue  
39 warrants legal action; and  
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41 WHEREAS, the OCC anticipates the potential costs of litigation to exceed  
42 \$10,000; and  
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44 WHEREAS, Section 1.11(c)(4)2(b) of the Milwaukee County Code of General  
45 Ordinances, requires the approval process for all suits or claims initiated by the County  
46 with a potential fiscal effect in excess of \$10,000; and

47           WHEREAS, the Committee on Judiciary, Safety, and General Services, at its  
48 meeting of May 8, 2017, recommended adoption of File No. 17-389 (vote 4-0);  
49 now, therefore,

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51           BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby  
52 authorizes the Office of Corporation Counsel to initiate legal action in this matter, should  
53 it not resolve by agreement concerning the appropriate prevailing wage applicable to  
54 this project.

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05/08/17  
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