

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: April 21, 2017
TO: Supervisor Theo Lipscomb, Chair, County Board of Supervisors
FROM: James Tarantino, Economic Development Director, Department of Administrative Services
SUBJECT: Informational Report Related to the Head of the Herd performance of its Park East Redevelopment Compact requirements.

REQUEST

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

BACKGROUND

In April 2016, the Milwaukee Bucks, through its subsidiary Head of the Herd LLC, exercised its Option to Purchase Park East Blocks 1 and 2. The sale was pursuant to a Development Agreement that requires compliance with the Park East Redevelopment Compact (PERC). The following is a summary of Park East Blocks 1 and 2 projects, a more detailed report and presentation is attached to this file. The information is accurate as of the end of 2016 as payroll reports require approximately two months for verification.

Block 1 Lot 2

- Project Description – Froedtert & Medical College of Wisconsin Sports Science Center
- Total Project Investment –
 - Hard Construction Cost - \$20,211,012 (Goal 25%)
 - Professional Services Cost - \$3,005,165 (Goal 17%)
- TE Participation Hard Construction - \$5,846,450 Projected (Goal 28.9%)
 - TE Awarded - \$3,934,849 (19.5%)
 - TE To Be Awarded - \$1,911,601 (an additional 9.4%)
- TE Participation Professional Services - \$762,689 (25.4%)
- Local Hiring - 28.2% (Goal 25%)
- Apprenticeship – 19.8% (Goal 15%)
- Payment of Prevailing Wage - Yes

Block 1 Lot 3

- Project Description – McKinley Health Center (Core & Shell)
- Total Project Investment –
 - Hard Construction Cost - TBD (Goal 25%)
 - Professional Services Cost - TBD (Goal 17%)
- TE Participation Hard Construction - TBD
- TE Participation Professional Services - TBD
- Local Hiring (Goal 25%) - TBD
- Apprenticeship (Goal 15%) - TBD
- Payment of Prevailing Wage – Yes

Block 1 Lot 3

- Project Description – McKinley Health Center (Interior Build-Out)
- Total Project Investment –
 - Hard Construction Cost - TBD (Goal 25%)
 - Professional Services Cost - TBD (Goal 17%)
- TE Participation Hard Construction - TBD
- TE Participation Professional Services - TBD
- Local Hiring (Goal 25%) - TBD
- Apprenticeship (Goal 15%) - TBD
- Payment of Prevailing Wage – Yes

Block 2

- Project Description – Block 7 Parking Structure
- Total Project Investment –
 - Hard Construction Cost - \$26,993,978 (Goal 25%)
 - Professional Services Cost - \$1,948,483 (Goal 18%)
- TE Participation Hard Construction – \$7,957,615 (29.5%)
- TE Participation Professional Services - \$603,345 (31.0%)
- Local Hiring - 39.2% (Goal 25%)
- Apprenticeship - 22.2% (Goal 15%)
- Payment of Prevailing Wage - Yes

RECOMMENDATION

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



James Tarantino
Economic Development Director, Department of Administrative Services

Attachment: Report - May 2017 PERC Update

cc: Chris Abele, County Executive
Economic and Community Development Committee Members
Teig Whaley-Smith, Director, Department of Administrative Services
Raisa Koltun, Chief of Staff, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Steve Cady, Research & Policy Director
Shanin Brown, Committee Coordinator
Scott Manske, Comptroller



DEER DISTRICT LLC

1543 N. 2nd Street | 6th Floor | Milwaukee, WI 53212 | 414.227.0500



DEER DISTRICT ARENA DEVELOPMENT

Milwaukee County Inclusion through December 31, 2016

Table of Contents

- 3 Executive Summary
- 4 MKE County Inclusion Requirements
- 5 - 7 Professional Services
- 8 - 11 Construction Services
- 12 Workforce

Cover Photo: Construction tradesmen working onsite during summer 2016.

Executive Summary

Deer District LLC, along with Developer's Representative, ICON Venue Group ("ICON"), and Inclusion Monitors, Cross Management Services, Inc. ("CMSI") and Prism Technical Management & Marketing Services, LLC ("Prism Technical" or "Prism"), are dedicated to ensuring the projects are successful and meet or exceed the goals described herein.

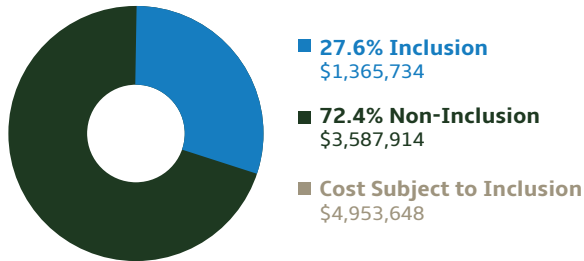
This report provides information on the inclusion achieved for professional services, construction and workforce compliance on the Block 2 Parking Structure ("Parking Structure") and Block 1, Lot 2 Froedtert & Medical College of Wisconsin Sports Science Center ("Sports Science Center") through December 31, 2016. Collectively, the Parking Structure and Sports Science Center are referred

Through December 31, 2016, the Projects awarded contracts valued at \$1,365,734 or 27.6% of professional services cost subject to inclusion and \$13,804,065 or 29.2% of the construction cost subject to inclusion, to Targeted Enterprises and Milwaukee County Residents have performed 33.8% of the construction hours.

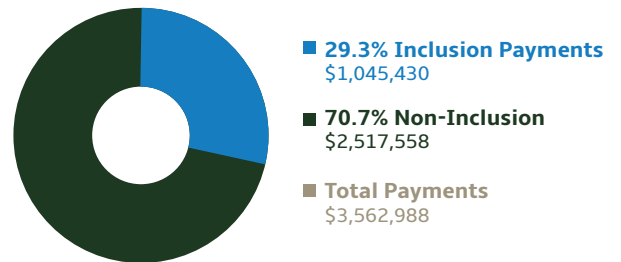
to herein as the "Projects." Future reports will include the McKinley Health Center. The Inclusion Requirements were established in the PERC Agreement with Milwaukee County, which requires 17% Targeted Enterprise ("TE") professional services inclusion, 25% TE construction inclusion, 25% Milwaukee County Residents inclusion, 15% apprentice inclusion, and payment of prevailing wages.

Professional Services Inclusion Total Through December 31, 2016

Professional Services Contracts

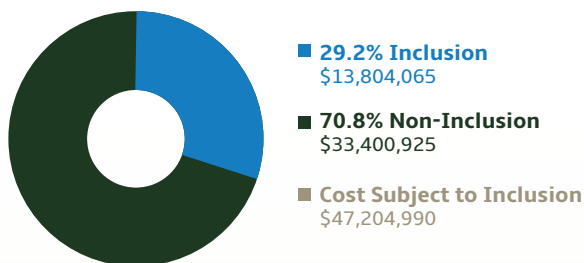


Professional Services Payments

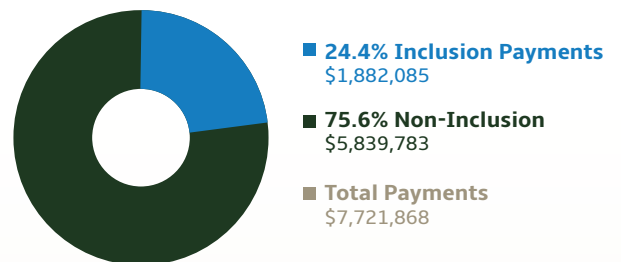


Construction Inclusion Total Through December 31, 2016

Construction Contracts

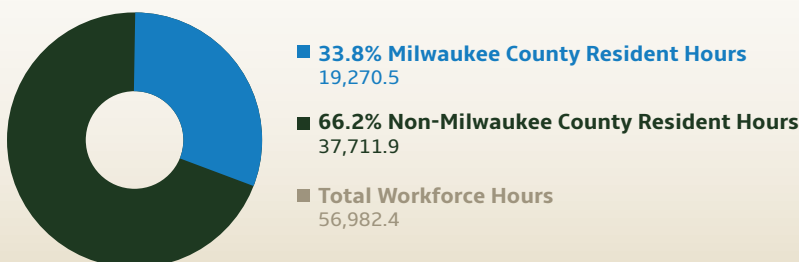


Construction Payments

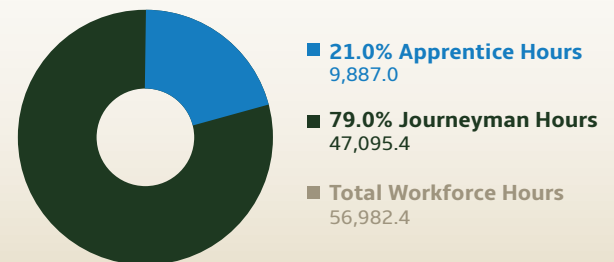


Workforce Total Through December 31, 2016

Milwaukee County Resident Inclusion



Apprentice Inclusion



Milwaukee County Inclusion Requirements

- 25% construction spending with Targeted Enterprises (TE)¹ which includes Disadvantaged Business Enterprises (DBE), Small Business Enterprises (SBE), Minority Business Enterprises (MBE) and Women Business Enterprises (WBE).
- 17%² Professional Service spending with Targeted Enterprises.
- 25% of the on-site construction trade labor hours to be performed by residents of Milwaukee County.
- 15% of the on-site construction trade labor hours to be performed by apprentices or members of acceptable job training programs.
- Prevailing Wages must be paid to each worker performing construction trade labor on the project.

¹ Milwaukee County accepted City of Milwaukee inclusion requirements for the Parking Structure, which includes SBE, DBE, SDB and 8(a).

² Milwaukee County accepted City of Milwaukee inclusion requirements of 18% professional services for the Parking Structure.



Professional Services

PERC Projects Professional Services Inclusion through December 31, 2016

PROJECT	INCLUSION	COST SUBJECT TO INCLUSION	%	PAID TO DATE	TOTAL PAYMENTS	%
Parking Structure	\$ 603,345	\$ 1,948,483	31.0%	\$ 501,605	\$ 1,492,135	33.6%
Sports Science Center	\$ 762,389	\$ 3,005,165	25.4%	\$ 543,825	\$ 2,070,853	26.3%
Total	\$ 1,365,734	\$ 4,953,648	27.6%	\$ 1,045,430	\$ 3,562,988	29.3%



Parking Structure Professional Services Inclusion

Parking Structure Professional Services Inclusion through December 31, 2016

SBE, DBE, SDB, OR 8(a) FIRMS	SBE, DBE, SDB or 8(a)	SUBCONTRACTOR TO	SERVICE PERFORMED	CONTRACT AMOUNT	AMOUNT PAID THRU 12/31/2016
American Design, Inc.	S/DBE	GRAEF-USA Inc.	Architectural - Parking Structure	\$ 342,150	\$ 292,117
American Design, Inc.	S/DBE	GRAEF-USA Inc.	Architectural - Housing	\$ 36,120	\$ 34,314
Capitol Lien Records & Research, Inc.	DBE	Terracon Consultants, Inc.	Title Search -	\$ 1,150	\$ 1,150
Cross Management Services, Inc.	S/DBE	Deer District LLC	Inclusion Monitor - Business	\$ 41,775	\$ 35,109
Dakota Intertek Corp.	S//DBE	Giles Engineering Associates, Inc.	Materials Testing	\$ 30,250	\$ 9,406
Gestra Engineering, Inc.	S/DBE	Terracon Consultants, Inc.	Drilling Services -	\$ 13,920	\$ 13,920
Gestra Engineering, Inc.	S/DBE	Terracon Consultants, Inc.	Geotech	\$ 30,145	\$ 30,145
Gestra Engineering, Inc.	S/DBE	Terracon Consultants, Inc.	Phase II	\$ 27,840	\$ 27,840
Prism Technical Management & Marketing, LLC	S/DBE	Deer District LLC	Inclusion Monitor - Workforce	\$ 63,505	\$ 57,604
ZS, LLC	SBE	Giles Engineering Associates, Inc.	Design	\$ 16,490	
ZS, LLC	SBE	Giles Engineering Associates, Inc.	Design	\$ 16,490	
TOTAL INCLUSION AND AMOUNT PAID				\$ 603,345	\$ 501,605
INCLUSION AS A % OF PROFESSIONAL SERVICES COSTS SUBJECT TO INCLUSION				31.0%	
INCLUSION AS A % OF PROFESSIONAL SERVICES PAYMENTS MADE				33.6%	
PROFESSIONAL SERVICES COST SUBJECT TO INCLUSION				\$ 1,948,483	
TOTAL PROFESSIONAL SERVICES PAYMENTS THROUGH DECEMBER 31, 2016					\$ 1,492,135

Sports Science Center Professional Services Inclusion

Sports Science Center Professional Services Inclusion through December 31, 2016

TARGETED ENTERPRISES	DBE, MBE, SBE or WBE	SUBCONTRACTOR TO	SERVICE PERFORMED	CONTRACT AMOUNT	AMOUNT PAID THRU 12/31/2016
American Design, Inc.	D/M/SBE	Eppstein Uhen Architects, Inc.	Architecture - Main & Upper Concourse	\$ 83,000	\$ 70,550
Capitol Lien Records & Research, Inc.	DBE	Terracon Consultants, Inc.	Title Search - Block 8	\$ 1,725	\$ 1,725
Cross Management Services, Inc.	D/M/SBE	Deer District LLC	Inclusion Monitor - Business	\$ 41,775	\$ 34,293
E3 Group LLC	M/WBE	Eppstein Uhen Architects, Inc.	Funamental Cx/ Energy Modeling	\$ 40,000	\$ -
Gestra Engineering, Inc.	D/M/SBE	Deer District LLC	Construction Materials Testing	\$ 120,000	\$ 24,099
Gestra Engineering, Inc.	D/M/SBE	Terracon Consultants, Inc.	Drilling Services - Geotech - Block 8	\$ 8,661	\$ 8,661
Gestra Engineering, Inc.	D/M/SBE	Terracon Consultants, Inc.	Drilling Services - Phase II - Block 8	\$ 11,441	\$ 11,441
IBC Engineering Services, Inc.	D/S/WBE	Eppstein Uhen Architects, Inc.	MEP	\$ 215,000	\$ 182,481
Kapur & Associates, Inc.	MBE	Eppstein Uhen Architects, Inc.	Civil Engineering	\$ 98,466	\$ 76,585
Kapur & Associates, Inc.	MBE	Deer District LLC	Survey/Geotech - Block 8	\$ 19,475	\$ 16,434
Prism Technical Management & Marketing, LLC	D/M/SBE	Deer District LLC	Inclusion Monitor - Workforce	\$ 72,052	\$ 72,052
White Water Associates, Inc.	DBE	Terracon Consultants, Inc.	Laboratory Services	\$ 7,194	\$ 7,194
Wrightson, Johnson, Haddon & Williams, Inc.	DBE	Eppstein Uhen Architects, Inc.	Audio/Video Consulting	\$ 40,000	\$ 35,750
ZS, LLC	SBE	Eppstein Uhen Architects, Inc.	Building Envelope	\$ 3,600	\$ 2,560
TOTAL INCLUSION				\$ 762,389	\$ 543,825
INCLUSION AS A % OF PROFESSIONAL SERVICES COSTS SUBJECT TO INCLUSION				25.4%	
INCLUSION AS A % OF PROFESSIONAL SERVICES PAYMENTS MADE				26.3%	
PROFESSIONAL SERVICES COST				\$ 3,005,165	
TOTAL PROFESSIONAL SERVICES PAYMENTS THROUGH DECEMBER 31, 2016				\$ 2,070,853	

Construction Inclusion

PERC Projects Construction Inclusion through December 31, 2016

PROJECT	INCLUSION	COST SUBJECT TO INCLUSION	%	PAID TO DATE	TOTAL PAYMENTS	%
Parking Structure	\$ 7,957,615	\$ 26,993,978	29.5%	\$ 946,385	\$ 3,606,738	26.2%
Sports Science Center	\$ 5,846,450	\$ 20,211,012	28.9%	\$ 935,700	\$ 4,115,130	22.7%
Total	\$ 13,804,065	\$ 47,204,990	29.2%	\$ 1,882,085	\$ 7,721,868	24.4%



Parking Structure Construction Inclusion

Parking Structure Construction Inclusion through December 31, 2016

SBE, DBE, SDB, OR 8(a) FIRMS	DBE, SBE, SDB or 8(a)	SUBCONTRACTOR TO	SERVICE PERFORMED	CONTRACT AMOUNT	AMOUNT PAID THRU 12/31/2016
3G Trucking, LLC	DBE	Lake Edge Logistics, LLC	Trucking	\$ 6,800	\$ 1,900
Best Erectors, Inc.	DBE	Midwest Stairs & Iron, Inc.	Barrier Cables	\$ 115,400	
Best Erectors, Inc.	DBE	Midwest Stairs & Iron, Inc.	Metal Panels	\$ 358,000	
Choice Construction Companies, Inc.	S/DBE	C. G. Schmidt, Inc.	Reinforcing Steel	\$ 2,288,586	
Choice Construction Companies, Inc.	S/DBE	J. H. Findorff & Son Inc.	Reinforcing Steel	\$ 187,186	\$ 128,634
Con-Cor Company, Inc.	SBE	Edgerton Contractors, Inc.	Roadway Saw Cut	\$ 450	
Duwe Metal Products, Inc.	DBE	J. H. Findorff & Son Inc.	Structural & Misc. Metals	\$ 409,458	
EFH Trucking LLC	DBE	Lake Edge Logistics, LLC	Trucking & Tipping Fees	\$ 313,636	\$ 313,636
Express Insulation, Inc.	DBE	J. F. Ahern Co. (HVAC)	Insulation	\$ 115,060	
Harkinson Consulting LLC	DBE	J. H. Findorff & Son Inc.	Labor Compliance Services	\$ 66,792	\$ 23,813
Heider & Bott Company	DBE	Bohmann & Vick, Inc.	Material Supplier	\$ 34,000	\$ 660
Hetzel San-Filippo, Inc.	DBE	J. H. Findorff & Son Inc.	Drywall	\$ 97,600	
Hiram Power Electric, LLC	S/DBE	Lemberg Electric Company, Inc.	Electrical Materials	\$ 314,500	
Hurt Electric Inc.	S/DBE	Uihlein Electric Co., Inc.	Electrical	\$ 40,000	
HVA Products, Inc.	DBE	J. F. Ahern Co. (HVAC)	HVAC Equipment	\$ 40,380	
HVA Products, Inc.	DBE	J. F. Ahern Co. (HVAC)	Controls	\$ 26,650	
KMI Construction LLC	SBE	J. H. Findorff & Son Inc.	Masonry	\$ 1,408,440	
LF Green Development, LLC	S/DBE	Michels Corporation	Construction Staking	\$ 3,823	\$ 3,823
Marek Landscaping, LLC	DBE	Edgerton Contractors, Inc.	Erosion Control	\$ 4,784	\$ 2,881
Nuvo Construction Company, Inc.	S/DBE	Michels Corporation	Pile Material Supplier	\$ 314,680	\$ 263,729
Price and Sons, Incorporated	S/DBE	J. F. Ahern Co.	Plumbing Material Supplier	\$ 44,236	
Rams Contracting, LTD.	DBE	Bohmann & Vick, Inc.	Trucking	\$ 10,000	
Renegade Trucking, LLC	SBE	Lake Edge Logistics, LLC	Trucking	\$ 9,600	\$ 708
Sanchez Painting Contractors, Inc.	SBE	J. H. Findorff & Son Inc.	Painting	\$ 85,004	

Parking Structure Construction Inclusion

Parking Structure Construction Inclusion through December 31, 2016

TARGETED ENTERPRISES	DBE,MBE, SBE, WBE	SUBCONTRACTOR TO	SERVICE PERFORMED	CONTRACT AMOUNT	AMOUNT PAID THRU 12/31/2016
Sonag Ready Mix, LLC	SBE	C. G. Schmidt, Inc.	Ready Mix Concrete	\$ 1,400,626	
Sonag Ready Mix, LLC	SBE	Michels Corporation	Ready Mix Concrete	\$ 40,950	\$ 30,682
Sonag Ready Mix, LLC	SBE	J. H. Findorff & Son Inc.	Ready Mix Concrete	\$ 173,572	\$ 170,167
Sonag Ready Mix, LLC	SBE	Stark Pavement Corporation	Ready Mix Concrete	\$ 32,000	
South Star, Inc.	S/DBE	Lake Edge Logistics, LLC	Trucking	\$ 5,752	\$ 5,752
TOTAL INCLUSION				\$ 7,957,615	\$ 946,385
INCLUSION AS A % OF CONSTRUCTION COST SUBJECT TO INCLUSION				29.5%	
INCLUSION AS A % OF CONSTRUCTION PAYMENTS MADE				26.2%	
CONSTRUCTION COST SUBJECT TO INCLUSION				\$ 26,993,978	
TOTAL CONSTRUCTION PAYMENTS THROUGH DECEMBER 31, 2016					\$ 3,606,738

Sports Science Center Construction Inclusion

Sports Science Center Construction Inclusion through December 31, 2016

TARGETED ENTERPRISES	DBE,MBE, SBE, WBE	SUBCONTRACTOR TO	SERVICE PERFORMED	CONTRACT AMOUNT	AMOUNT PAID THRU 12/31/2016
Affirmative Supply Co., Inc.	DBE	Design Build Fire Protection of Wisconsin, Inc.	Pipe, Sprinklers, Fittings, Valves	\$ 15,000	
Affirmative Supply Co., Inc.	DBE	Nations Roof	Systems Panels	\$ 176,854	
Affirmative Supply Co., Inc.	DBE	Nations Roof	Knight Wall Materials	\$ 60,047	
Belonger Corporation	DBE	J. F. Ahern Company	Mechanical	\$ 205,000	
Bohmann & Vick, Inc.	M/WBE	J.P. Cullen & Son, Inc.	Plumbing Site Utilities	\$ 428,305	\$ 330,728
Choice Construction Companies, Inc.	D/MBE	J.P. Cullen & Son, Inc.	Reinforcing Steel Installation	\$ 337,622	\$ 252,490
Express Insulation, Inc.	DBE	J. F. Ahern Company	Insulation	\$ 115,060	
Hard Rock Sawing & Drilling Specialists Co.	DBE	Design Build Fire Protection of Wisconsin, Inc.	Core Drilling	\$ 1,310	
Hetzel-Sanfilippo, Inc.	DBE	J.P. Cullen & Son, Inc.	Drywall	\$ 561,000	
HVA Products, Inc.	SBE	J. F. Ahern Company	Materials	\$ 87,120	
Nuvo Construction Co., Inc.	SBE	J.P. Cullen & Son, Inc.	Real Mix Concrete	\$ 57,117	
Rams Contracting, LTD.	S/M/WBE	J.P. Cullen & Son, Inc.	Earthwork, Site Grading	\$ 520,282	\$ 352,482
Sonag Ready Mix, LLC	SBE	J.P. Cullen & Son, Inc.	Ready Mix Concrete	\$ 166,788	
South Star, Inc.	S/D/MBE	Stark Pavement Corporation	Trucking- Debris and Paving	\$ 3,000	
Superior Structural Corp.	WBE	J.P. Cullen & Son, Inc.	Structural Steel	\$ 986,450	
Thomas A Mason Company, Inc.	DBE	J.P. Cullen & Son, Inc.	Painting	\$ 213,894	
To Be Determined				\$ 1,911,601	
TOTAL INCLUSION				\$ 5,846,450	\$ 935,700
INCLUSION AS A % OF CONSTRUCTION COST				28.9%	
INCLUSION AS A % OF CONSTRUCTION PAYMENTS MADE					22.7%
CONSTRUCTION COST				\$ 20,211,012	
TOTAL CONSTRUCTION PAYMENTS THROUGH DECEMBER 31, 2016					\$ 4,115,130

Workforce

Rendering of the northwest aerial view of the Sports Science Center

Milwaukee County Residents Inclusion Total

PROJECT	INCLUSION	GOAL	WORKFORCE HOURS	MILW COUNTY RESIDENTS HOURS	MILW COUNTY RESIDENTS %
Parking Structure	Milw County Residents	25%	29,147.6	11,419.5	39.2%
Sports Science Center	Milw County Residents	25%	27,834.8	7,851.0	28.2%
Total County Requirements			56,982.4	19,270.5	33.8%

Apprentice Inclusion Total

PROJECT	INCLUSION	GOAL	JOURNEYMAN HOURS	APPRENTICE HOURS	APPRENTICE %
Parking Structure	Apprentice	15%	23,859.6	5,288.0	22.2%
Sports Science Center	Apprentice	15%	23,235.8	4,599.0	19.8%
Total County Requirements			47,095.4	9,887.0	21.0%





Prepared by
Prism Technical Management & Marketing Services, LLC
in conjunction with Cross Management Services, Inc.