

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: August 10, 2018

TO: Supervisor Theo Lipscomb, Chair, County Board of Supervisors

FROM: Aaron Hertzberg, 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 is attached to this file. The information is accurate as of the end of 2017. Deer District, LLC, also a subsidiary of the Milwaukee Bucks, previously presented on this topic (File 17-300) in 2017, while the referenced buildings were still under construction. The buildings on Blocks 1 and 2 have since been completed.

5th Street Parking Structure

- Total Project Investment –
 - Hard Construction Cost - \$26,993,978 (Goal 25%)
 - Professional Services Cost - \$2,203,682 (Goal 17%)
- TE Participation Hard Construction - \$9,157,661 (33.9%)
- TE Participation Professional Services - \$725,240 (32.9%)
- Local Hiring - 45% (Goal 25%)
- Apprenticeship - 18.4% (Goal 15%)
- Payment of Prevailing Wage - Yes

Froedtert & Medical College of Wisconsin Sports Science Center

- Total Project Investment –
 - Hard Construction Cost - \$23,610,949 (Goal 25%)
 - Professional Services Cost - \$3,248,879 (Goal 17%)
- TE Participation Hard Construction - \$6,959,694 (29.5%)
- TE Participation Professional Services - \$869,436 (26.8%)
- Local Hiring - 28.5% (Goal 25%)
- Apprenticeship - 20.6% (Goal 15%)
- Payment of Prevailing Wage - Yes

McKinley Health Center (Core & Shell)

- Total Project Investment –
 - Hard Construction Cost - \$7,063,204 (Goal 25%)
 - Professional Services Cost - 732,128 (Goal 17%)
- TE Participation Hard Construction - \$1,602,258 (22.7%)
- TE Participation Professional Services - \$204,240 (27.9%)
- Local Hiring - 17.6% (Goal 25%)

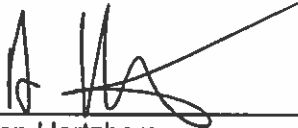
- Apprenticeship - 20.3% (Goal 15%)
- Payment of Prevailing Wage - Yes

McKinley Health Center (Tenant Improvements)

- Total Project Investment –
 - Hard Construction Cost - \$4,954,534 (Goal 25%)
 - Professional Services Cost - \$493,139 (Goal 17%)
- TE Participation Hard Construction - \$1,222,328 (24.7%)
- TE Participation Professional Services - \$110,000 (22.3%)
- Local Hiring - 45.9% (Goal 25%)
- Apprenticeship - 33.8% (Goal 15%)
- Payment of Prevailing Wage - Yes

RECOMMENDATION

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



Aaron Hertzberg

Economic Development Director, Department of Administrative Services

Attachment: Report - August 2018 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
Rick Norris, Director, Community Business Development Partners
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Steve Cady, Research & Policy Director
Shanin Brown, Committee Coordinator
Scott Manske, Comptroller