

DRAFT
MEETING MINUTES OF
MILWAUKEE 440TH LOCAL REDEVELOPMENT AUTHORITY (LRA)
SEPTEMBER 18, 2007 AT 9:00 A.M.
GENERAL MITCHELL INT'L AIRPORT SIJAN CONFERENCE ROOM
5300 S. HOWELL AVE., MILWAUKEE, WI 53207

PRESENT: Jeff Polenske, City of Milwaukee, LRA Chair; Brian Dranzik, Milwaukee County, LRA Vice-Chair; Rocky Marcoux, City of Milwaukee, LRA Treasurer; Tony Snieg, Milwaukee County General Mitchell Int'l Airport, LRA Secretary; Dave Misky, City of Milwaukee, LRA Board Staff

ATTENDEES: Col. Betty Bowen, 440th Msg/Cc; Jackie Blazek, 440th Msg; Elwin Rozyski, 22nd Air Force Civil Engineer; Andrew Bergholz, TAPCO; Mike Romas, Milwaukee Fire Dept.; Steve Basting, Milwaukee Police Dept; John Kugel, TAPCO; Jason Kugel, TAPCO; Lynn Boese, Dept. of Defense, Office of Economic Adjustment; John Zapfel, Office of Governor Jim Doyle; Gwendolyn Sheppard, Milwaukee Women's Post 400, American Legion; Louis Mangold, 440th Air; Rich Block, CH2M Hill/RKG Team; Beth Foy, BCA/RKG Team; Tim Reinbold, Norris & Assoc./RKG Team; Craig Seymour, RKG; Terry Witkowski, City of Milwaukee; Bob Gintoft, MLG Commercial; Tim Kerrigan, MSOE; Roger Banaszak, Sterling Aviation; Alan Evinrude, MATC; Barry Bateman, Milwaukee County, GMIA; Shawn Niessen, Milwaukee County, GMIA (sign-in sheet attached).

Chairman Polenske called the meeting to order at 9:03 a.m.

Introductions

Polenske asked all in attendance to identify themselves for the group.

Approval of August 21, 2007 Meeting Minutes

Marcoux moved for approval of the minutes of August 21, 2007; Dranzik seconded, and the minutes were approved with no modifications.

Progress of Draft Report – RKG

In reference to the updated draft report that was distributed last week, Craig Seymour of RKG noted that it incorporates revisions submitted by LRA members, and goes as far as including a preliminary discussion of plan alternatives. The biggest change is addressed in the Facilities Chapter, wherein environmental conditions are discussed. He added that, having worked with base representatives on this section, the information is “as state-of-the-art as it’s going to be”.

RKG and representatives from the 440th have combined their knowledge into an environmental summary that should be comprehensive enough to move the evaluation of alternatives forward and enable the preliminary decision-making process to begin.

Evaluation of each potential location/building site must include consideration of its environmental status. Type VII sites require further study and/or cleanup before they can be approved by the State, and may not be transferred or sold to entities outside of the Federal government. Once the State approves a site as Type II, transfer or sale may take place. However, even property approved by the State may suffer negative impacts in terms of marketability and the valuation of property for sale or lease. Valuation analysis of Type II locations needs to be undertaken on a site-by-site basis.

The report also includes a new chapter that reflects last month's LRA as well as public informational meetings. Beth Foy noted that there is public interest in the development of a Land Reuse Plan but it is limited due to the nature of the property.

RKG's website has been updated and they will strive to keep the information current.

Discussion of Alternatives

The 440th has provided a Personal Property Inventory, (including vehicles), and the LRA must decide which items need to be retained and which ones should be disposed of.

Intermediate Plan

Taking the long-term nature of the proposed runway expansion into account, this plan focuses on leasing out existing facilities as soon as the State of Wisconsin Department of Natural Resources (DNR) approves them. This urgency stems from a desire to create jobs and to avoid costs associated with buildings that are left vacant during the winter season. Regular use of the buildings will reduce deterioration.

The LRA must determine who would assume the management role – City, County, etc. Seymour recommends that, if the Intermediate Plan is chosen, the LRA should be involved with the caretaker contract that the 440th will put out by February 3, 2008. The RFP is being worked on now. LRA Board involvement in caretaker issues now will be helpful for any caretaker or managerial responsibilities assumed as part of a long-term plan. Preparation and readiness to move on the Intermediate Plan would minimize negative impacts created by any vacancies resulting from the 440th's relocation.

The Intermediate Plan does present issues related to the assignment of responsibility for sewer, water, utilities, safety, and security. The LRA Board would need to contract or work with the City of Milwaukee to address zoning issues. Furthermore, leasing options do not generate tax revenues and there would be significant caretaker costs associated with ownership.

Mixed Use Plan

In this plan, a portion of the land may be sectioned off for private or public use. So far, a number of private companies and public agencies have expressed an interest in 440th property. The LRA

was informed that public agencies with Federal government backing have the power to demand accommodation. So far, the Hunger Task Force is the only agency presenting a Notice of Interest that includes Federal backing. Dranzik cautioned that, if they were not accommodated on the airport property, the City and County would have to bear the cost of locating them elsewhere. Of significant concern is that the building sought by the Hunger Task Force is in an isolated location and a Task Force establishment would create a sort of island effect, thus presenting access issues. Contracts would be required guaranteeing private property rights. Furthermore, it is located in the section designated for the new runway. The County or airport would have to go through a land acquisition process to get the land back. Marcoux warned that other “contentious” property issues could emerge over time. He suggested considering offering them another building with modifications that would meet their needs. Snieg said that the County does not have funds for such modifications. Acquisition of part of the land by private companies could also necessitate rezoning and may create the need for costly demolition and rebuilding. Bateman brought to light security concerns that would add significantly to the costs.

Residential use has been ruled out due to noise and other concerns. It is not known if the MILCON interest might be limited to a partial acquisition. The AFRPA has written a letter deferring any decisions to the LRA. This plan could reserve the area planned for the airport’s runway expansion while also conveying other areas to private or agency interests.

All Aviation Plan

This plan designates all areas to be used for airport or aviation-related activities. Benefits include immediate use of the land and facilities and would help the airport. It would eliminate development threats to the proposed runway areas and avoid issues created by the other plans.

Downsides include marketing and maintenance costs, caretaker costs, and the lack of property tax revenues for the City. Although most of the entities seeking 440th property could be worked into a land reuse plan in a manner consistent with long-term goals, the present interest by the Federally backed (Housing and Urban Development) Homeless / Hunger Task Force agency could demand a deed conveyance resulting impingement on the designated runway expansion area in the manner previously discussed. If the agency demands accommodation, it must be provided either in the requested location or the LRA must locate other suitable accommodations at the LRA's expense.

Whoever becomes the deed holder of the property may lease out portions to City Police, Fire, or to others on its own terms but under the All Aviation Plan, all revenues must be used for airport purposes and the land cannot be sold. Under private use plans, the land could be purchased by a variety of separate entities and it could be leased out or resold. The FAA has written a Letter of Interest supporting an aviation / public benefit conveyance of the land.

Further Discussion

Entities who have expressed an interest in acquiring or leasing buildings on 440th land should be apprised of associated operating and maintenance costs up front since it may influence decisions

regarding the property. The buildings are old and costly to maintain. Rebuilding would be expensive and must meet ADA requirements. Private owners would pay for roads and other infrastructure costs through property taxes, and they would be paid for through negotiated contracts by airport or other public owners. Marcoux asked that discussions take place between City, County, and Airport staff concerning management capabilities for their section(s) of interest in the 440th property, and noted that it must be worked out before any sound decisions regarding the property can take place. He asked Chairman Polenske to coordinate such discussions within the next couple of weeks so that the status will be clearer going into the next meeting.

Seymour reiterated the necessity of having environmental issues identified as soon as possible due to the tremendous impact they will have on property value. Interim caretaker responsibilities could be lengthy and expensive as well if sale or transference of the property is delayed because of failure to resolve these environmental issues.

The Environmental Assessment (EA) will begin when the Reuse Plan has been decided. It will take 9 months or so and will be followed by any necessary cleanup. The property must pass DNR requirements for transference and must also be clean enough for the particular use(s) being proposed.

Seymour recounted some of the key points of the proposed plans.

INTERMEDIATE PLAN:

Pros: Immediate use of property, jobs, caretaker contract will provide property knowledge, revenues

Cons: Requires integrated maintenance and marketing effort, relatively short-term leasing option will limit the number of potential lessees, cost of caretaker contract, access issues, future runway

ALL AVIATION PLAN:

Pros: Immediate use of property, aviation support, revenues in support of airport – larger economic benefit as a result, easy transfer

Cons: Property management and staffing costs, no direct revenue for City, no control over development except for Airport, utility easements and other costs

MIXED USE PLAN:

Pros: Airside and property tax revenues, minimum demolition

Cons: Separation of operations and maintenance costs, utility and infrastructure costs, security, etc., limited aviation support, City and Airport both limited as far as development decision making, future runway.

Timeline of Report Submittal

The LRA voted to extend report submission date to the end of January 2008 to allow for budget deliberations by the County and the City.

RFP for Retaining Legal Counsel to Assist LRA with Base Transfer

Misky will provide a draft RFP to the LRA members by the end of next week.

Next Meeting

Tuesday October 23, 2008

2:00 p.m.

GMIA – Sijan Conference Room

Adjourned

The meeting was adjourned at 10:32 a.m.