

MINUTES

Milwaukee County Research Park Corporation

Board of Directors Meeting

Tuesday, April 8, 2014

The Milwaukee County Research Park Corporation (MCRPC) Board of Directors Annual Meeting was held on Tuesday, April 8, 2014 at the Technology Innovation Center, 10437 Innovation Drive, Suite 114, Wauwatosa, WI 53226.

Board Chairman James Elliott called the meeting to order at 1:31 PM

AGENDA ITEM I – Roll Call (Quorum Present)

PRESENT: Supervisor Michael Mayo, Mayor Kathleen Ehley, James Elliott, William Fox, David Gilbert, Supervisor Patricia Jursik, Supervisor James Schmitt, Michael Gonzalez, Supervisor Theodore Lipscomb, Kimberly Walker, Joseph Phelan, Supervisor Willie Johnson

EXCUSED: Dr. John Raymond, Daniel McKeithan, and David Dull

STAFF: William Drew, Guy T. Mascari, and Kay Van Hecke

GUEST(S): Tom Rehberger, Ph.D., President, Agro BioSciences, Inc.

AGENDA ITEM II – Presentation by Tom Rehberger, Ph.D., President, Agro BioSciences, Inc. Mr. Mascari introduced Dr. Rehberger, President of Agro BioSciences, Inc. Mr. Rehberger gave a brief presentation on his company which is dedicated to the research and development of microbial based products. The initial focus is to identify plant microbial interactions to further human health through the increased absorption and bioavailability of the polyphenol, ellagic acid. Mr. Rehberger presentation received several positive comments from Board members. Mr. Mascari mentioned that Agro BioSciences was planning to expand into new lab space.

AGENDA ITEM III – Minutes of the November 19, 2013 Meeting

Mr. Fox moved and Mr. Phelan seconded a motion to approve the minutes as presented for the board meeting of November 19, 2013. The motion passed unanimously.

AGENDA ITEM IV – Election of Officers and Appointment of the Executive and Finance Committees

a) Election of Officers – Chairman, Vice Chairman, Secretary, Treasurer. The following individuals currently serving in their respective positions were nominated by Mr. Phelan to serve as officers until the 2015 annual meeting of the Corporation: Mr. Elliott – Chairman, Supervisor Mayo – Vice Chairman, Mr. McKeithan – Secretary, and Mr. Phelan – Treasurer. The nominees for officers were unanimously approved by the Board.

b) Appointment of the MCRPC Executive Committee (Authorization Resolution 2014-1). Supervisor Schmitt moved and Mr. Gonzalez seconded a motion to approve

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the Appointment of the MCRPC Executive Committee. The nominees were: James Elliott (presiding officer of the Executive Committee and Corporation Board Chairman); Michael Mayo (being a Milwaukee County Board Supervisor); Kimberly Walker (being the Milwaukee County Executive's appointee); William Fox (being a Corporation Board Member and Chairman of the Finance Committee); and Joseph Phelan (being a Corporation Board Member and Treasurer). The nominees for the Executive Committee were unanimously approved by vote of the Board.

c) Appointment of members of the MCRPC Finance Committee (Authorization Resolution 2014-2). Supervisor Schmitt moved and Supervisor Johnson seconded a motion to approve the appointment of members of the MCRPC Finance Committee. The following individuals were nominated to serve as the eight members of the Finance Committee until the 2015 annual meeting of the Corporation: William F. Fox, Michael Gonzalez, Supervisor Michael Mayo, Supervisor Willie Johnson, Daniel F. McKeithan, Joseph L. Phelan, James N. Elliott (ex-officio as Board Chairman), and Kimberly Walker (ex-officio as the County Executive's personal representative). In addition, William F. Fox was nominated to serve as the Chairman of the Finance Committee. The nominees for the Finance Committee and its Chairman were unanimously approved by vote of the Board.

d) It was agreed that the bylaws provide all of the board members serve for another year unless reappointed or until their successors are appointed by the County Executive and confirmed by the County Board as stated in the By Laws.

AGENDA ITEM V – Finance Committee Report

a) Year to Date 12/31/13 Unaudited Financial Statements – Mr. Fox reported that the December 31, 2013 financial statements show the impact of certain accounting changes made earlier in the year. Unrestricted net assets no longer show a negative balance since the designated and undesignated categories were merged at the suggestion of the accountants. The Board Designated Investment Fund total at year end was \$3,824,964. Mr. Fox pointed out that if the spending rule of 5% is applied to that amount it would generate a contribution to operations of \$191,250 and that is enough to balance the budget even in times of hardship. There was a surplus in 2013 of \$914,000 because we had a land sale so it was one of our better years. As reported by Mr. Mascari, without the land sale there would have been a small deficit. However, the final six-months of the year were much better from a leasing standpoint than the first six-months. All other items were in line with earlier projections. Supervisor Mayo asked to receive the actual Audited Financials before he would approve the 2013 financial statements. Mr. Fox agreed and made such a motion which Mr. Phelan seconded. The motion was approved unanimously.

b) Year to Date 02/28/14 Unaudited Financial Statements – Mr. Fox reported that there was a deficit of \$21,792 from operations for the first two-months of the year. If the project management fees from the entrance improvement project were realized the

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deficit would disappear and produce an \$8,875 surplus through the first two months of the year. Mr. Mascari stated that this will occur in April.

AGENDA ITEM VI - Approval of Laboratory 171 Build Out in the Technology Innovation Center for Agro BioSciences, Inc. Using Money from the Research Development Fund (Authorization Resolution 2014-3). Mr. Mascari stated that there is one 738 sq. ft. un-renovated portion of the north lab wing. Agro BioScience is expanding and wants to hire several new project scientists. They have asked that this space be built out for them. They have been a tenant here since May of 2013. They are willing to pay an additional rent of \$1722.00 per month and extend their lease for an additional two years. This is very similar to the labs that were built out for Zystor, ProCorp and InvivoScience. Supervisor Mayo asked if we could go with a three year lease. Mr. Mascari stated Agro BioScience thinks they may outgrow that space in two years and are not in a position to commit for three years. They are a very good company and there is residual value to this project. The first lab we build out was in 2005 and it has been continuously occupied since Zystor left. The market for lab space is extremely good. The approximate cost would be \$69,000.00 and a grant from the Research Development Fund can be used to fund the Project since it meets the terms and conditions of the Research Development Fund Use Policy.

Mr. Gonzalez asked if we had a guideline that we use here. Mr. Fox stated we have to take it case by case. Mr. Gonzalez stated - not knowing what the County wants to do with this building - we would have a hard time making these types of decisions, so the sooner we get directions from the County the better. Mr. Fox recommend we form a committee to make those decisions. Supervisor Mayo stated we are an incubator and that is our mission, so he moved and Mr. Fox seconded a motion to approve Authorization Resolution 2014-3. The motion passed unanimously.

Mr. Drew will consult with Mr. Elliott and other board members regarding the formation of a strategic planning committee.

AGENDA ITEM VII - Approval of Amendment to Ground Lease between Milwaukee County and MCRPC to Allow for Construction of New Access Road to the Vel Phillips Juvenile Center, Termination of the Parking Agreement between Milwaukee County and MCRPC, Easement to Allow Access to Lot 1, Lot 10 and the M-10 Building from Innovation Drive and Watertown Plank Road, Road Maintenance and Repair Obligations of Milwaukee County, and Modification of Easement Agreement between Milwaukee County, MCRPC, and WE Energies (Authorization Resolution 2014-4)

Mr. Drew stated this resolution is necessary because Children's Court Center has lost part of their access to Watertown Plank Road and needs access from Innovation Drive. In order to accommodate that MCRPC would release its leasehold rights to

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approximately a half acre of land just south of the M-10 building. As part of the agreement the County would not pay for the land. In return, the parking agreement which covers the current parking lot used by Children's Court Center (north of the M-10 building) would be terminated. According to the parking agreement with the County MCRPC would have to replace about eighty parking spaces if the property was developed. The redevelopment of the parking area for the Children's Court Center replaces the eighty parking spaces.

The resolution also requires an analysis of the storm water impact created by the additional impervious parking surface. Supervisor Mayo moved and Mr. Fox seconded the motion to approve Resolution 2014-4. The motion passed unanimously.

AGENDA ITEM VIII - Approval to Request Repayment from Milwaukee County for the Cost of the New Card Access, Security Management and Camera System at the Technology Innovation Center (Authorization Resolution 2014-5)

Mr. Mascari stated that our security and building access system failed about two months ago due to a software malfunction and stopped functioning properly as of December 31, 2013. The County has been aware of this problem for at least two years as evidenced by memorandums that Mr. Drew sent to Milwaukee County. This year a series of four work-order requests to do something with this situation were made with no positive response from the County.

There is a provision in the TIC lease that if the County is not able to fulfill their obligations regarding the building, MCRPC can proceed to fix the problem and seek reimbursement. The County Executive is aware of this and has asked for a formal letter requesting reimbursement. Several of the Board members expressed concern and hope that this is dealt with as soon as possible. Supervisor Mayo moved and Mr. Fox seconded a motion to approve Resolution 2014-5. The motion passed unanimously.

AGENDA ITEM IX - Approval of Renovation of Portions of the Technology Innovation Center (TIC) (Authorization Resolution 2014-6)

Mr. Mascari stated that last year certain renovations to the TIC, such as new carpet and paint on the second and third floors of the building, were approved subject to receipt of funds from the State for the taking of the Park and Ride Lot. These funds were not received until late in 2013 and the approved projects were not completed until early 2014. This resulted in the two month deficit discussed previously. This year staff is requesting permission to carpet the second floor. The carpet is about twenty years old and really needs to be replaced. This will be a revenue neutral expenditure since MCRPC is owed approximately \$51,000 from the entrance improvement fund for project management. Mr. Mascari said again that this will be recorded in April. That money will cover what was authorized in 2013 but expended in 2014 plus this additional carpeting that will be done in 2014. Mr. Fox moved and Mr. Phelan seconded the motion to

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approve Authorization Resolution 2014-6. The motion passed unanimously.

AGENDA ITEM X - Technology Innovation Center and Research Park Activity Reports

a) Status of MMSD project and Entrance Improvements. Both projects are going well and nothing of importance was reported to the Board.

b) Zoo Interchange reconstruction project. This project is also going well and its impact on the research park has been manageable and nothing of importance was reported to the Board.

AGENDA ITEM XI – General Discussion and Announcements

The Board did not have any general discussion or announcements.

AGENDA ITEM XII – Closed Session

The Board did not request a Closed Session.

AGENDA ITEM XIII – Return to Open Session

The Board did not need to return to an Open Session.

AGENDA ITEM XIV – Adjourn

Since there was no further business, Supervisor Johnson moved and Mr. William Fox seconded a motion to adjourn. The motion passed unanimously. Chairman Elliott adjourned the board meeting at 3:16 PM.

APPROVED:

SUBMITTED:

William Ryan Drew, Executive Director

Kay Van Hecke, Office and Facilities
Manager