

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: May 19, 2023

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Celia Benton, Interim Director, Department of Administrative Services,
Economic Development Division

Subject: **An Informational Report Providing an Update on Recent Change in
the Status of Park East Block 22**

REQUEST

This report is for informational purposes only.

BACKGROUND

File 01-749 – County Board approval to assume jurisdiction and begin the process of selling Park East land received from the Wisconsin Department of Transportation for redevelopment

In April 2019, Milwaukee County Economic Development released a Request for Proposals (RFP) seeking a purchaser and developer for Park East Block 22, at 320 E. Ogden Avenue in Milwaukee. Block 22 was acquired by Milwaukee County in 2002, as a part of the Wisconsin DOT's decommissioning of several parcels of land in downtown Milwaukee that had formerly been a part of the Park East freeway lands, and Milwaukee County Economic Development was tasked with disposing of the parcels in ways that would best encourage economic development within the downtown Milwaukee area. This particular parcel, Block 22, had previously been under option to purchase to Wangard Partners, another developer, in 2016. Wangard's option expired in 2018.

In December 2019, Milwaukee County received an RFP response from McClendon Capital Group, with a proposal for a mixed-use development, primarily residential (apartments) with a hotel property. Our RFP evaluation team agreed that this proposal was the best of the options and a good opportunity, and in September 2020, the RFP was officially awarded to McClendon. An Option Agreement was signed in July 2021, with an initial term of twelve months, and two optional six month extensions available.

McClendon's Option Agreement was extended an additional 6 months, per their request, in July 2022, to a new expiration date of January 2023. Prior to January 2023, McClendon discussed with the County some concerns and delays they were experiencing related to modifications to their project plans, a request to amend the proposed purchase price, and some project funding delays and issues. The parties

have undergone extensive discussions in the past few months in an attempt to renew the expired Option Agreement. However, we recently determined that changes to the project plans anticipated in the original RFP response, including purchase price offered for the site, have reached the level of substantial changes, and the parties agreed to allow the Option Agreement to expire without the final extension. The Option Agreement therefore expired in January 2023.

Because of this, Park East Block 22 is no longer under any option agreement, and Milwaukee County Economic Development is beginning the process of creating a new RFP for future purchase and development of the site. This process will include ordering a new assessment of the property value, to determine any changes to the estimated value since it was last determined in 2015. The new RFP is expected to be completed and posted on the County RFP website in approximately June or July 2023.

RECOMMENDATION

This report is for informational purposes only.

Submitted by:

Celia Benton

Celia Benton
Interim Economic Development Director

cc: David Crowley, County Executive
Community, Environment and Economic Development Committee Members
Mary Jo Meyers, Chief of Staff, Office of the County Executive
Aaron Hertzberg, Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Ken Smith, County Board Research Analyst
Allyson R. Smith, Committee Coordinator