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(ITEM ) From the Director of County Economic Development, Department of Administrative Services, requesting authorization for the County to: execute an Option to Purchase at a purchase price of \$10,000 and enter into a Development Agreement with Heartland Housing, Inc., in partnership with St. Ben’s Community Meal Program, for the former Community Correctional Center (CCC) Building, located at 1004 North 10<sup>th</sup> Street, Milwaukee, Wisconsin; appropriate \$1,800,000 to redevelop the site into supportive housing; or if the Option is not exercised, use the \$1,800,000 to demolish the CCC Building, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, the Milwaukee County Board (County Board) adopted Resolution File No. 14-483 specifying that Milwaukee County (the County) is dedicated to consolidating County facilities and selling assets to reduce the County’s real estate footprint; and

WHEREAS, the County Board adopted Resolution File No. 14-841 dedicating the former Community Correctional Center (CCC) Building surplus and directing the Department of Administrative Services (DAS)-Economic Development Division (ED Division) to develop a redevelopment strategy with St. Ben’s and other community partners; and

WHEREAS, St. Ben’s has successfully developed supportive housing in partnership with Heartland Housing, Inc.; and

WHEREAS, the House of Correction is in need of a new location for its Day Reporting Center; and

WHEREAS, the County’s partnership with housing and service providers have provided positive outcomes for Milwaukee County residents; and

WHEREAS, the DAS-Architecture, Engineering and Environmental Services Section has prepared an estimate for demolishing the CCC Building of \$1,800,000; and

WHEREAS, because of the existing demolition costs, the ED Division has received an appraisal that the CCC Building has a value of \$750,000 less demolition costs of \$1,800,000; and

WHEREAS, the ED Division has received a letter of interest from Heartland Housing, Inc., in partnership with St. Ben’s; and

WHEREAS, Heartland Housing, Inc., has successfully developed thousands of supportive housing units; and

47 WHEREAS, the proposal includes space to relocate the House of Correction Day  
48 Reporting Center to the CCC Building, which is a desired outcome of the ED Division;  
49 and  
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51 WHEREAS, a fund transfer in the December 2014 County Board Committee  
52 Cycle was submitted by the Department of Administrative Services requesting a receipt  
53 of revenue to recognize a \$3,025,000 University of Wisconsin-Milwaukee (UWM) land  
54 sale payment and appropriate this funding to fulfill 2014 Adopted Budget language and  
55 County Board Resolution File No. 14-290; and  
56

57 WHEREAS, the County has outstanding certain obligations (“Outstanding County  
58 Obligations”), a portion of which may have been used to make improvements to the  
59 CCC Building (“Outstanding CCC Obligations”); and  
60

61 WHEREAS, if necessary in order to maintain the tax-advantaged status of the  
62 Outstanding County Obligations, the County will use proceeds from the sale of the CCC  
63 Building or other funds of the County in an amount necessary to redeem or defease the  
64 Outstanding CCC Obligations within 90 days of the executed option agreement with  
65 Heartland Housing, Inc., in order to comply with the remedial action rules under Section  
66 1.141-12 of the Treasury Regulations (“Remedial Action Rules”); now, therefore,  
67

68 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby  
69 authorizes the County Executive to execute and record all documents and perform all  
70 actions required to enter into the attached Option to Purchase (“Option”) with Heartland  
71 Housing, Inc., for 1004 North 10<sup>th</sup> Street, Milwaukee, Wisconsin (CCC Building); and  
72

73 BE IT FURTHER RESOLVED, the County Executive and the County Clerk  
74 and/or other appropriate County officials be hereby authorized to execute, after  
75 Corporation Counsel approval, any and all instruments, rights of entry, documents that  
76 are called out in the Option and required to implement the intent of this resolution,  
77 including without limitation a Warranty Deed for the property and a Lease for the House  
78 of Corrections Day Reporting Center; and a lease for surface parking; and  
79

80 BE IT FURTHER RESOLVED, if the Option is not exercised by Heartland  
81 Housing, Inc., prior to the expiration of the Option, the County shall proceed with  
82 demolition of the CCC Building; and  
83

84 BE IT FURTHER RESOLVED, contingent upon any County Board approved  
85 option for the CCC Building, \$1,800,000 shall be administratively appropriated by the  
86 Office of Performance, Strategy, and Budget, from the Economic Development Reserve  
87 Fund to either: (a) provide funding for the redevelopment of the CCC Building, or (b)  
88 provide funding for the demolition of the CCC Building in a new capital improvement  
89 project which the Office of the Comptroller is authorized to create; and  
90

91 BE IT FURTHER RESOLVED, the Milwaukee County Office of the Comptroller is  
92 authorized and directed to consult with the County’s bond counsel to determine whether

93 entering into the Option and selling the CCC Building would adversely affect the tax-  
94 advantaged status of the Outstanding County Obligations and, unless the County's  
95 bond counsel is able to provide a legal opinion that the tax-advantaged status of the  
96 Outstanding County Obligations will not be adversely affected, the Comptroller and  
97 other appropriate County officials, the County's financial advisor, and the County's bond  
98 counsel are authorized and directed to take such actions as are necessary to  
99 accomplish the redemption or defeasance of the Outstanding CCC Obligations.

100  
101 BE IT FURTHER RESOLVED, among the actions that are authorized to be taken  
102 are the following:

- 103  
104 (1) The naming of an escrow agent, execution of an escrow agreement with such  
105 escrow agent, establishment of an escrow fund to provide for the redemption  
106 and/or defeasance of the Outstanding CCC Obligations, and the deposit of  
107 the necessary funds into the escrow fund.
- 108 (2) The purchase of United States. government securities with the funds  
109 deposited in the escrow fund(s).
- 110 (3) Determine the date of and provide notice of the redemption and defeasance  
111 of the Outstanding CCC Obligations

112 ; and

113  
114 BE IT FURTHER RESOLVED, the authorization for the sale of the CCC Building  
115 and the related actions described about are subject to determination by the County's  
116 Comptroller, based on advice from the County's bond counsel, that the County is able to  
117 satisfy the Remedial Action Rules or to take other action approved by the Comptroller to  
118 preserve the tax-advantaged status of the Outstanding County Obligations or otherwise  
119 protect the County against adverse financial consequences with respect to the  
120 Outstanding County obligations; and

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122 BE IT FURTHER RESOLVED, the Milwaukee County Office of the Comptroller  
123 is authorized to pay professional fees charged by the County's financial advisor, bond  
124 counsel, escrow agent, escrow verification agent, and any other professionals for  
125 services performed in connection with the defeasance and/or redemption of the  
126 Outstanding CCC Obligations.

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