

COUNTY OF MILWAUKEE

INTEROFFICE COMMUNICATION

DATE: November 8, 2023

TO: Supervisor Marcelia Nicholson, Chair, County Board of Supervisors

FROM: Celia Benton, Economic Development Director, Department of Administrative Services

SUBJECT: From the Economic Development Director, Department of Administrative Services requesting authorization to partner with Watersview Investment Group as they apply for, accept, and implement a Community Development Investment Grant in a maximum amount of \$250,000 from the Wisconsin Economic Development Corporation to assist in the State Street Redevelopment mixed-use development in an abandoned building on West State Street in the Near Westside area.

POLICY

Milwaukee County Board review and approval is required for the submission of grant funding applications, pursuant to MCGO 56.06.

BACKGROUND

The Wisconsin Economic Development Corporation ("WEDC") is the State of Wisconsin's lead economic development agency focused on sustainable business growth and job creation. The economic development resources WEDC provides to local governments and private parties include the Community Development Investment Grant ("CDIG") Program. This program is meant to assist "urban, small city and rural community (re)development efforts by providing financial incentives for shovel-ready projects with emphasis on, but not limited to, downtown community-driven efforts" by providing grants to local municipalities for use on specific projects which "demonstrate significant, measurable benefits in job opportunities, property values and/or leveraged investment by local and private partners."

DAS-Economic Development is seeking authorization to support Watersview Investment Group to apply for a CDIG in an amount up to \$250,000 to assist in the redevelopment of their State Street Redevelopment mixed-use residential and commercial space project (the "Project"). The Project involves the renovation, management, and refinance of a mixed-use building located at 2627 West State Street. The building has been vacant for over two decades and is currently non-functioning due to major rehabilitation efforts needed to make it habitable. The existing building consists of 8 apartment units and 2 commercial spaces. Plans include converting the residential space into six larger 2- and 3- bedroom residential units and marketing the commercial space to local entrepreneurs with hopes of starting their own Café, as well as space for a possible fitness training location. The building's location near busy 27th Street and close to many residential units, local businesses, Marquette University, downtown Milwaukee, freeway access, and a soon-to-be-renovated theater make it an ideal fit for additional residential and commercial use.

Anticipated start date of renovation is later in 2023 and early 2024, with anticipated completion by mid 2024.

The CDI grant requires a project to commit to a 75% match. Match funds would not come from the County, but from public and private investments committed to the project. In this case, funding will come primarily from loans and owner equity, as well as a city grant and Brew City Match funding, as outlined on the attached grant application. The existing and expected contributions already exceed the 75% match requirement. No funds will come from or passthrough the County.

To implement the grant, if awarded, DAS-Economic Development will enter into an MOU with Watersview Investments Group, which shall include, but not be limited to, the following terms:

- Submittal to WEDC of paid itemized invoices for eligible expenses with proof of payment for reimbursement purposes, as required by WEDC;
- Semi-annual performance reporting during the life of the project, with a final report due upon completion, as required by WEDC;
- Indemnification in favor of County in the event of a default entitling WEDC to a return of any grant funds expended;
- Guarantee that County is not responsible for financial obligations of Watersview Investments Group;
- Access to project records during the life of the project and for at least three years thereafter for auditing purposes.

The CDIG programs has previously been utilized by Milwaukee County to support the Sherman Phoenix, Welford Sanders Historic Lofts, and Community Within the Corridor.

RECOMMENDATION

The Director of the Department of Administrative Services - Economic Development recommends authorization to partner with Watersview Investment Group as they apply for, accept, and implement a Community Development Investment Grant in a maximum amount of \$250,000 from the Wisconsin Economic Development Corporation to assist in the development of the State Street Redevelopment project.

FISCAL NOTE

Acceptance of the grant will have a net zero impact on the division's budget. Milwaukee County's role in the process will be that of a government authorization for the application. Any staff time to provide support for the Project will be absorbed in the division's existing budget.

Celia Benton

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Economic Development Director, Department of Administrative Services

Attachment: Resolution
 Fiscal Note
 Project Overview

Project Grant Application

cc: David Crowley, County Executive
Scott Manske, Comptroller
Economic and Community Development Committee Members
MaryJo 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
Allyson Smith, Committee Coordinator
Ken Smith, County Board Research Analyst