

1 Supervisor Steve F. Taylor, Chairperson,
2 From the Committee on Economic and Community Development, reporting on:

3
4 File No. 16-506

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6 (ITEM) From the Director of Economic Development, Department of
7 Administrative Services, requesting authorization to extend the Option to Purchase
8 Agreement regarding the Community Correctional Center Building, located at 1004
9 North 10th Street, Milwaukee, Wisconsin, extending the Agreement through January 26,
10 2018; entering into a Grant Agreement with Heartland Housing, Inc., in the amount of
11 \$1,800,000; allowing Heartland Housing, Inc., ownership of the northwest corner of the
12 site; increasing Day Reporting Center space to 6,300 square feet; updating "Exhibit C";
13 and expanding the targeted firm participation, by recommending adoption of the
14 following:

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16 **A RESOLUTION**

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18 WHEREAS, the Milwaukee County Board of Supervisors (County Board)
19 adopted File No. 14-841 requiring the Economic Development Division, Department of
20 Administrative Services (ED-DAS) to work with Heartland Housing, Inc., and the St.
21 Ben's Community Meal Program to develop a redevelopment strategy for the former
22 Community Correctional Center Building (CCC) and;

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24 WHEREAS, the County Board adopted File No.14-939 authorizing Milwaukee
25 County (the County) to sell the CCC to Heartland Housing, Inc., for a purchase price of
26 \$10,000; and

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28 WHEREAS, Adopted File 14-939 also allocated \$1,800,000 to provide funding for
29 the redevelopment of the CCC, or to provide funding for the demolition of the CCC in a
30 new capital improvement project; and

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32 WHEREAS, the rehabilitation costs of this project include a Disadvantaged
33 Business Enterprise (DBE) goal of 25 percent relative to construction, a goal of 17
34 percent relative to professional services associated with construction, and a County
35 residential hiring goal of 40 percent relative to the construction hours worked on the
36 project; and

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38 WHEREAS, during the due diligence period, the Developer made the
39 determination that an additional 12-month extension to the Option to Purchase term was
40 required to successfully complete the approved project; and

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42 WHEREAS, during the due diligence period, the space planning of the project
43 has allocated an additional area for use of the Day Reporting Center increasing that
44 total area up to 6,300 square feet; and

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46 WHEREAS, during the due diligence period, the space planning of the project

47 has identified an additional parking need which necessitates the purchase of an
48 additional site originally contemplated as a lease to the Developer to accommodate this
49 need; and

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51 WHEREAS, such work would utilize targeted firms as defined by the Milwaukee
52 County Code of General Ordinances, and maintain commitments to hiring County
53 residents, consistent with the Developer's original proposal; and

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55 WHEREAS, the County seeks to support the Developer's financing plan by
56 allocating the \$1,800,000 rehabilitation fund as a grant; and

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58 WHEREAS, the County and the Developer would enter into a separate Grant
59 Agreement to provide guidelines under which the Developer will disburse funds from
60 aforementioned grant; and

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62 WHEREAS, the amended Option to Purchase Agreement will allow for the
63 County's right to audit the records of the Developer associated with the project; and

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65 WHEREAS, the Committee on Economic and Community Development, at its
66 meeting of September 12, 2016, recommended adoption of the Director's request (vote
67 4-0); now, therefore,

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69 BE IT RESOLVED, the Milwaukee County Board of Supervisors (County Board)
70 hereby authorizes the Director of Economic Development, Department of Administrative
71 Services (ED-DAS), to amend the terms under which 1004 North 10th Street,
72 Milwaukee, Wisconsin, is sold to Heartland Housing, Inc., by extending the term of the
73 Option to Purchase Agreement for an additional 12 months through January 26, 2018;
74 and

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76 BE IT FURTHER RESOLVED, the County Board hereby authorizes ED-DAS to
77 allocate \$1,800,000 as a grant and to enter into a Grant Agreement that guides
78 disbursement of these funds; and

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80 BE IT FURTHER RESOLVED, the County Board hereby authorizes the
81 Economic Development Division to amend the terms under which 1004 North 10th
82 Street, Milwaukee, Wisconsin, is sold to Heartland Housing, Inc., to include the
83 northwest corner of the site and to preserve the County's right to access this additional
84 location; and

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86 BE IT FURTHER RESOLVED, the County Board hereby authorizes ED-DAS to
87 increase the leased area of the Day Reporting Center at no additional cost to the
88 County; and

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90 BE IT FURTHER RESOLVED, the County Board hereby authorizes the
91 Economic Development Division to amend the terms under which 1004 North 10th
92 Street, Milwaukee, Wisconsin, is sold to Heartland Housing, Inc., to correspond the

93 definition of targeted firms to be in accordance with Chapter 42 of the Milwaukee
94 County Code of General Ordinances; and

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96 BE IT FURTHER RESOLVED, that upon the approval of Corporation Counsel,
97 the County Executive, and the County Clerk, and/or other appropriate County officials
98 are hereby authorized to execute, any and all instruments required to implement the
99 intent of this resolution, including, without limitation, an amendment to the option to
100 purchase, and a grant agreement with Heartland Housing, Inc., encompassing the
101 terms and conditions set forth above.

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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: August 25, 2016

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Requesting authorization for the County to amend the option to purchase for the CCC Building located at 1004 N 10th St., Milwaukee, Wisconsin with Heartland Housing, Inc. in partnership with St. Ben's Community Meal Program and take other necessary actions to ensure the development moves forward.

FISCAL EFFECT:

- | | |
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| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The County Board already approved the sale of the former CCC to Heartland Housing, Inc. in partnership with St. Ben's Community Meal Program. This resolution restructures the Option to Purchase agreement without creating any new fiscal impact to the County with respect to monies received for the sale of the property or to be spent by County with respect to demolition. The sale price is still \$10,000 and the amount to be escrowed will remain \$1.8MM.

B. See A above.

C. See A above.

D. See A above.

Department/Prepared By James Tarantino, Economic Development Director

Authorized Signature(s) 

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.

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(ITEM) From the Director of Economic Development, Department of Administrative Services, requesting authorization to apply for, accept, and implement a Community Development Investment Grant up to a maximum amount of \$250,000 from the Wisconsin Economic Development Corporation, to assist in the redevelopment of the Welford Sanders Historic Lofts development in the Harambee neighborhood in partnership with the Martin Luther King Economic Development Corporation, and Wisconsin Redevelopment, by recommending the following:

A RESOLUTION

WHEREAS, the Wisconsin Economic Development Corporation (WEDC) is the State of Wisconsin’s lead economic development agency focused on sustainable business growth and job creation; and

WHEREAS, WEDC’s Community Development Investment Grant (CDIG) Program is meant to, “support urban, small city and rural community redevelopment 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, measureable benefits in job opportunities, property values and/or leveraged investment by local and private partners”; and

WHEREAS, the Economic Development Division, Department of Administrative Services (ED-DAS) is seeking authorization to apply for a Tier 3 CDIG in an amount up to \$250,000 to assist in the historic redevelopment efforts of the Martin Luther King Economic Development Corporation (MLKEDC) and Wisconsin Redevelopment (WR) in the Welford Sanders Historic Lofts project; and

WHEREAS, development efforts involve the renovation and redevelopment of a severely dilapidated building into a mixed-use complex including affordable housing and office space; and

WHEREAS, the goals of the project are to provide quality, affordable housing and create and/or support additional jobs in an area of great need, which will additionally contribute to the city’s ongoing efforts to increase employment opportunities and tax base; and

WHEREAS, the required 75% local match shall be more than satisfied by public and private investment funding already committed to the project; and

WHEREAS, the Committee on Economic and Community Development, at its meeting of September 12, 2016, recommended adoption of the Director’s request (vote 4-0); now, therefore,

46 BE IT RESOLVED the Economic Development Division, Department of
47 Administrative Services (ED-DAS), is hereby authorized to apply for, and accept
48 Community Development Investment Grant (CDIG) funds in an amount up to \$250,000
49 from the Wisconsin Economic Development Corporation (WEDC) to assist in funding
50 the efforts of the Martin Luther King Economic Development Corporation (MLKEDC)
51 and Wisconsin Redevelopment (WR) Welford Sanders Historic Lofts development; and

52
53 BE IT FURTHER RESOLVED, that if awarded the grant, ED-DAS is authorized
54 to enter into a CDIG Agreement with WEDC and a Memorandum of Understanding
55 (MOU) with the MLKEDC and WR, subject to the approval of Risk Management and
56 Corporation Counsel; and

57
58 BE IT FURTHER RESOLVED, the MOU shall include at least the following terms
59 and conditions:

- 60
- 61 (a) Submittal to Milwaukee County (the County) of paid itemized invoices for
62 eligible expenses with proof of payment for reimbursement purposes, as
63 required by WEDC;
 - 64
 - 65 (b) Semi-annual performance reporting during the life of the project, with a
66 final report due upon completion, as required by WEDC;
 - 67
 - 68 (c) Indemnification in favor of County in the event of a default entitling WEDC
69 to a return of any grant funds expended;
 - 70
 - 71 (d) Guaranty that County is not responsible for financial obligations of
72 MLKEDC and WR;
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 - 74 (e) Access to project records during the life of the project and for at least
75 three years thereafter for auditing purposes.
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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: August 25, 2016

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Director of County Economic Development, Department of Administrative Services, requesting authorization to 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 Welford Sanders Historic Lofts development in the Harambee neighborhood of Milwaukee in partnership with the Martin Luther King Economic Development Corporation (MLKEDC) and Wisconsin Redevelopment (WR).

FISCAL EFFECT:

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|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input checked="" type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	\$250,000	0
	Revenue	\$250,000	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

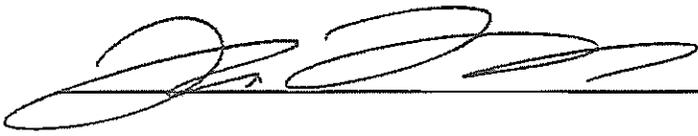
DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. ¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. The Economic Development Director is requesting authorization to accept a grant of \$250,000 from WEDC and allocate those funds to Martin Luther King Economic Development Corporation (MLKEDC), which is responsible for compliance.
- B. If the project is completed by MLKEDC and WR, proceeds up to \$250,000 would be received by the County and disbursed to MLKEDC and WR.
- C. This would be a net cost of \$0 to the county, other than staff time.
- D. None.

Department/Prepared By James Tarantino, Economic Development Director

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No
Did CBDP Review?² Yes No Not Required

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.
² Community Business Development Partners' review is required on all professional service and public work construction contracts.

1 Supervisor Steve F. Taylor, Chairperson,
2 By the Committee on Economic and Community Development, reporting on:

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File No. 16-227

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6 (ITEM) A resolution to **RECEIVE AND PLACE ON FILE** (vote 4-0) an
7 informational report from the Director of Economic Development, Department of
8 Administrative Services, regarding Milwaukee County Property Sales.

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(ITEM) A resolution to **RECEIVE AND PLACE ON FILE** (vote 4-0) an informational report from the Director, Community Business Development Partners, dated August 22, 2016, providing updates regarding departmental waivers.

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