

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: August 15, 2025

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

From: Shakita LaGrant-McClain, Executive Director, DHHS

Subject: An informational report from the Executive Director, Department of Health and Human Services, on the proposed relocation of the Kelly Senior Center to the Bucyrus Campus in South Milwaukee

File Type: Informational Report

BACKGROUND

The Lawrence P. Kelly Senior Center in Cudahy consists of two separate 1950's era buildings that formerly served as military barracks until they were repurposed in 1972. Together, they provide approximately 16,000 square feet of usable space, far less than most other senior centers.

Based upon a comprehensive facility assessment, the Lawrence P. Kelly Senior Center in Cudahy needs an estimated \$2.5 million in capital repairs and maintenance. Capital needs include: HVAC system renewal, window and door replacements, flooring remediation, plumbing and natural gas distribution systems, electrical wiring, fire and safety alarms, and roof regrading.

In fact, the 2023 MKE HUBS report – *Reimagining Senior Centers for Milwaukee County in the 21st Century* - cautioned against pursuing renovations of the senior center.

“Kelly was not designed to be used as a senior center and meets few of the attributes contained in our vision. In congruence with prior structural studies, these two facilities would not be easily renovated.” (Milwaukee County Commission on Aging, *The MKE HUBS, Reimagining Senior Centers for Milwaukee County in the 21st Century*, p. 25.

And there are now even less options available to seniors in the nearby area. During the past few years, both the South Shore YMCA in Cudahy and the Chester Grobschmidt Senior Center in South Milwaukee have closed. Older adult participants at those centers have joined the Kelly Senior Center, where participation has significantly increased and there is now insufficient programming space to accommodate them.

For example, the ceramics room is cramped, ceramic molds are stacked on top of each other in the cabinets, and the kiln does not have an appropriate power source. Similarly, the exercise equipment is outdated, sits on asbestos tile, and is separated from any functional open fitness

space, which is located in the other building. Thus, even with a substantial capital investment, Kelly would not meet the programmatic needs of senior users.

Proposal

Senior Center Component

Consistent with the vision of the Commission on Aging's (COA's) MKE HUBS Report, Milwaukee County continues to reimagine its senior centers. Acknowledging the need to develop creative solutions to continue to provide quality senior programming and reduce County capital investments, **DHHS is proposing relocating the Kelly Senior Center to the Heritage Building on the Bucyrus Campus, two miles south in South Milwaukee.**

The Bucyrus Campus is located at 1100 Milwaukee Avenue in South Milwaukee. Bucyrus-Erie was one of the largest businesses in South Milwaukee during its 118-year history in South Milwaukee, moving there from Ohio in 1893 and in its latter years it was known as Bucyrus International. In 2010, it was sold to Caterpillar in a transaction that closed in 2011. The vacant office buildings will be converted to housing under its current owner, Scott Crawford Inc., who successfully purchased the property in 2024.

Locating a new senior center at Bucyrus will provide dramatic aesthetic, physical space, and programmatic improvements for seniors that currently utilize the Kelly Senior Center. The project will offer southeast Milwaukee County residents access to a newly-renovated and centrally-located senior center in a building and campus with historic value. The Heritage Building housed the former Bucyrus museum and is equipped with a full commercial kitchen, dining area, movie theater, gift shop, fully accessible restrooms, entryways, and signage, and open space easily repurposed to meet the programming attributes of the HUBS report and identified needs of the participants. The square footage of the project would approximately double the usable space of the Kelly Senior Center.

Members of the COA did an initial tour of the proposed site and worked with the development team to ensure the future space would meet the needs of seniors, incorporating feedback from listening sessions and a tour of the Kelly Senior Center by the Bucyrus Campus architect in April 2025. This resulted in a request upon the architectural team to put together a development cost estimate of what would be needed for the rehabilitation of the commercial space to realize the initial, proposed need for MKE HUBS and community-aligned senior programming. The total development cost estimate is \$1.1 million, with a projected construction timeline of approximately nine months of construction upon lease execution.

Affordable Housing Component

The founder of Scott Crawford Inc., Que El-Amin, is currently in the process of redeveloping the campus for affordable housing that includes a total of 134 apartments, eight of which are to be set aside for veterans below 60% of the Area Median Income, directly referred by DHHS Veterans Affairs, with a total projected development cost of \$41 million. In previous actions, the County Board approved \$2.5 million in American Rescue Plan Act (ARPA) funds (File 22-

702) for the housing development, as well as \$500,000 of Community Development Block Grant (CDBG) funds (File 22-948). The build out of this campus will include new green and recreational spaces that will also be available to senior center participants. There is ample parking in a large lot in front of the Heritage building entrance. Older Adult Transportation Service (OATS) will be available to provide door-through-door service for non-driver participants.

Financing

Rehabilitation costs will be covered by funds from the City of South Milwaukee, Milwaukee County CDBG funds, and an additional investment from the developer. South Milwaukee has pledged \$500,000 of available Tax Incremental District funding towards the project. The location of the Bucyrus Campus qualifies as an eligible CDBG project and location, as it is within a Low-to-Moderate Income Area ("LMA"), per longstanding Federal CDBG program guidelines. This designation gives the County additional flexibility to cover development and leasing costs with its own Federal entitlement funds, without any local Milwaukee County tax levy.

Therefore, DHHS will recommend shifting \$160,000 of Milwaukee County's CDBG funds that were previously allocated for improvements to the Kelly Senior Center to the Bucyrus project in the December 2025 County Board cycle. Additional Milwaukee County CDBG allocations will be requested in 2026 to achieve financial feasibility for completing the development of the senior center project, as well as assist in covering ongoing leasing costs. **DHHS intends to fully cover capital investments for the development and ongoing leasing and operational costs without any Milwaukee County tax levy.**

Community Input

At the time of the drafting of this report, DHHS planned two additional listening sessions to ensure the new facility will meet and incorporate the needs of those who patronize the Kelly Senior Center. There will also be a tour of the proposed Heritage building site in September. The COA is scheduled to discuss and take action on this proposal at its meeting on August 22, 2025.

Letter of Intent

Earlier this year, after approval by the COA, DHHS signed a nonbinding letter of intent with the developer for the proposed commercial space described herein this informational report. The letter of intent serves to outline a proposal for the lease of space at 1100 Milwaukee Avenue in South Milwaukee, WI. As explained further below, this proposal does not constitute a binding agreement between the parties. Rather, it evidences the landlord's (Scott Crawford Inc.'s limited liability corporation's) offer to negotiate in good faith with tenant for a lease of commercial space in the Center. The basic terms of the proposal includes:

- A. Landlord:** Bucyrus ACME LLC, a Wisconsin limited liability corporation, located at 3212 West Center Street, Milwaukee, WI 53210.

- B. Tenant:** Milwaukee County
- C. Subtenant:** City of South Milwaukee
- D. Effective Date:** February 1, 2026 (intended, target date for fully executed lease).
- E. Premises:** Having approximately 22,451 sq. ft. of Floor Area and 120 available parking stalls.
- F. Permitted Use of Premises:** Tenant shall use the Premises only for the following purpose: Senior Center. Any changes to said use or the format of Tenant's business shall require the prior written consent of Landlord.
- G. Lease Term:** Twenty-five (25) Years
- H. Option:** Tenant shall have two (2) successive options to extend the Lease Term for a period of one hundred twenty (120) months ("Option Term") at the then fair market rent exercisable in writing no less than 60 calendar days prior to the expiration of the original lease term. Option rent shall not be less than the rent paid in the preceding period;
- I. Rent Commencement Date:** Rent and all other charges shall commence upon Delivery.
- J. Minimum & Maximum Rent:**

Minimum Annual <u>Rent</u>	Minimum Rent Per Square Foot <u>Per Annum</u>	
\$0	\$0.00	Lease Year 1 (* Rent Commencement Date)
Maximum Annual <u>Rent</u>	Maximum Rent Per Square Foot <u>Per Annum</u>	
\$381,474	\$18.00	Lease Year 1 (* Rent Commencement Date)

Minimum and Maximum Rent shall increase annually at a rate of three percent for duration of the initial lease term.

Landlord and Tenant will collectively work to raise additional funding to cover

rent amount through external grants and financial commitments. Only the amount of funding collectively raised will be owed to the Landlord.

- K. Taxes and Insurance Expense:** Tenant shall not reimburse Landlord for taxes assessed for any reason and levied on the Premises and the realty underlying the Premises.

Tenant shall reimburse the cost to Landlord of Property and Liability insurance maintained by Landlord on the Center, which amount will be included in the Common Area Expense set forth below. Tenant shall be responsible for maintaining its own policy of commercial general liability insurance for the Premises and a policy of property insurance (ISO Special Form) for all furniture, fixtures, inventory and other improvements made by Tenant within the Premises, together with business interruption, with Landlord being named as an additional insured thereunder, all in accordance with the requirements to be set forth in the lease agreement.

- L. Utilities:** Tenant shall pay for Tenant's utilities including limited to water, sewer and garbage consumed within the Premises, including the costs of utilities furnished by Landlord, if any, to the Premises, whether directly assessed or reasonably allocable to Tenant.

- M. Common Area Expense:** Tenant shall pay its share of the cost of ownership, operation, maintenance and management of the common areas of the Center. Tenant's share of such costs shall be that portion of all such expenses equal to the proportion thereof which the number of square feet of floor area in the Premises bears to the total number of rentable square feet of floor area in the Center. The estimated annual Common Area Expenses are:

- a. Taxes: \$0
- b. Insurance: \$6,735
- c. Controllable Expenses: \$44,902

- N. Landlord's Delivery:** A leasable space of 22,451 square feet with final details to be negotiated no later than May 1, 2026.

- O. Tenant's Work:** TBD

- P. Guarantor:** Milwaukee County.

- Q. Lease Agreement:** Upon the acceptance by Tenant of the terms of this Letter of Intent, Landlord shall instruct its attorneys to prepare a form of lease agreement which contains the standard terms and conditions for Landlord's leases in the Senior Center, which conforms with the terms hereof and which contains such other terms and conditions as may be mutually agreed to by Landlord and Tenant. The lease

agreement shall not be binding on the parties until both of the parties have executed and delivered the lease agreement.

R. Nature of this Letter of Intent: As noted above, this Letter of Intent constitutes Landlord's offer to negotiate with Tenant. If the terms of this Letter of Intent are accepted by Tenant, this Letter of Intent shall only constitute the agreement of Landlord and Tenant to negotiate with each other in good faith for a lease of space in the Senior Center having the basic terms set forth in this Letter of Intent. This Letter of Intent may not be relied upon by any party as evidence of a binding agreement or commitment between Tenant and Landlord for a lease of space in the Center, and no legal rights and obligations between the parties shall be created or deemed to exist with respect to the Premises until the parties have fully executed and delivered the lease agreement described above.

S. Confidentiality: The parties shall maintain in the strictest confidence all matters concerning (1) the terms of this Agreement, (2) any information or documentation related to the negotiations relating to this Agreement, and (3) the transaction set forth in this Agreement. If asked about any of the above matters, each party shall respond that it is not at liberty to discuss these matters because they are the subject of a confidentiality agreement. Notwithstanding the foregoing, the parties may disclose (i) information necessary to enforce their rights under this Agreement, (ii) information which the parties are required to disclose pursuant to due process of law, and (iii) such limited information concerning this Agreement to such persons required to have knowledge of such information in order for the parties to comply with the terms and conditions of this Agreement. Landlord and Tenant agree not to issue any press release concerning the transaction contemplated hereby without the prior written approval of the other party, and agree not to disclose such matters except to such attorneys, accountants, lenders and others as are reasonably required in order to consummate the transaction. A breach of this covenant shall entitle the aggrieved party to damages caused by such disclosure as well as injunctive relief. The term of this paragraph shall survive the expiration or termination of this Letter of Intent.

Since the original Letter of Intent, the estimate for the Common Area Maintenance has been revised with more detailed costs. As of this report, the costs include:

Category	Percentage	Estimated Cost
Property Insurance	8%	\$3,679
Management	18%	\$8,980
Utilities – Common Area	14%	\$6,735
Repairs & Maintenance	23%	\$11,226
Landscaping & Snow	14%	\$6,735
Security	9%	\$4,490
General Admin/Other	14%	\$6,735
TOTAL	100%	\$48,580

Next Steps

Although the proposed lease is not an action item for the County Board, DHHS will be seeking formal approval for the potential further use of CDBG funds as well as authority to enter into a service contract in the December cycle of 2025. The Milwaukee County Parks Department will also engage in a separate planning effort regarding the future use of the current Kelly site as programming is moved from the facility.

VIRTUAL MEETING INVITES

Shakita LaGrant-McClain, DHHS Director, shakita.lagrانت@milwaukeecountywi.gov
James Mathy, DHHS Housing Services Administrator, james.mathy@milwaukeecountywi.gov
Celia Benton, DAS Economic Development Director, celia.benton@milwaukeecountywi.gov
Tina Anderson, DHHS ADS Administrator, tina.anderson@milwaukeecountywi.gov
Que El-Amin, Principal, Scott Crawford Inc., que@scott-crawford.com
Marques Morgan, Vice President of Acquisitions & Development, Scott Crawford Inc., marques@scott-crawford.com
Njeri Jackson, Vice President of Business Development, Scott Crawford Inc., njeri@scott-crawford.com
Patrick Brever, City Administrator / Economic Development Director, City of South Milwaukee, brever@smwi.org

PREPARED BY:

James Mathy, Housing Administrator, Department of Health and Human Services

APPROVED BY:

Shakita LaGrant-McClain

Shakita LaGrant-McClain, Director, Department of Health and Human Services

cc: Milwaukee County Board of Supervisors
County Executive David Crowley
Mary Jo Meyers, Chief of Staff, County Executive's Office

Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Steve Cady, Research Director, Office of the Comptroller
Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk
Kelsey Evans, Committee Coordinator, Office of the Milwaukee County Clerk