

**COUNTY OF MILWAUKEE**  
Inter-office Communication

DATE: 8/15/2024

TO: Marcelia Nicholson, Chairwoman, County Board of Supervisors

FROM: Donna Brown-Martin, Director, Department of Transportation  
Celia Benton, Director of Economic Development, Department of Administrative Services

SUBJECT: From the Director, Department of Transportation and the Director of Economic Development, Department of Administrative Services, requesting authorization to receive proceeds from the sale of the MCTS Fiebrantz property and to realign budgeted expenses and revenues in capital projects.

FILE TYPE: Action Report

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**REQUEST**

The Milwaukee County Department of Transportation (MCDOT) and the Department of Administrative Services – Economic Development (DAS-ED) are requesting to

- receive \$487,136.39 in proceeds from the sale of the former Transit property at 1900 W. Fiebrantz Ave.
- apply the sale proceeds to project WT0171 2024 Bus Purchase,
- increase bond proceeds in WT0171 by \$862,863.61, and to
- realign expenses and revenues for WT0171 due to lower-than-expected bus purchase costs.

**POLICY**

AMOP 10.01 Land Disposition Procedure

Wisconsin Statutes §§ 59.17(2)(b)3, 59.52(6)(d)(1), 73.36(2), 75.35(4), 75.106, 985.02

**BACKGROUND**

As outlined in Legistar files 18-703 and 23-815, the Milwaukee County Transit System (MCTS) transferred Fiebrantz Garage, located at 1900 W. Fiebrantz Ave., to Milwaukee County Economic Development in 2019 after determining the building was no longer required for MCTS operations, thereby deeming it a surplus property. Milwaukee County's Economic Development Division managed and oversaw the disposal of the property. The property was placed on the market between 2019 and 2024 when a successful response to a Request for Proposals resulted in a sale with proceeds totaling \$487,136.39.

Prior to being declared surplus, maintenance and capital investment in the Fiebrantz Garage was funded by Federal Transit Administration (FTA) grant funding. The

appraised value was \$1,350,000 per recent appraisal dated August 26, 2022, and this amount must be either paid back to the FTA or be applied toward the federal share of a current or future capital purchase. Thus, the sale proceeds will be applied to the 2024 bus purchase, reducing the required federal share on a dollar-for-dollar basis. Further reduction of the federal share of the 2024 bus purchase in the amount of \$862,863.61 is needed to cover the total federal interest in the liquidated property, requiring additional bond funds to cover the reduced federal share and complete the project.

The overall cost of the 2024 bus purchase will be \$2,210,820 less than budgeted, which will reduce total expenditures, further reduce federal funding, and partially offset the required increase in bonding for WT0171 (see summary of changes below).

WT0171	
Expenses	<u>(2,210,820.00)</u>
	(2,210,820.00)
Revenues	
Federal Revenue	(3,118,656.00)
Sales Proceeds	487,136.39
Bond and Note Proceeds	<u>420,699.61</u>
	(2,210,820.00)

#### Sale of 1900 W. Fiebrantz Avenue

On April 15, 2021, Milwaukee County Economic Development released an RFP to try to procure a purchaser for 1900 W Fiebrantz Bus Garage.

On March 6, 2023, an RFP submission was received with favorable scores from the RFP Panel. MKE Northside LLC, submitted a proposal with intent to acquire the property to use as a manufacturing facility for their 2 companies, Containers UP LLC and Green Frog LLC. Prior to this submission, Economic Development received 2 others both which would have required complete building demolition, also offered significantly less in purchase price, and construction costs appeared financially infeasible. The RFP panel did not favor these two submissions.

The property was sold for less than the appraised value due to several factors: market conditions at the time of the sale, the property's condition requiring significant maintenance and capital investment, and its specialized use as a transit garage which limited the pool of potential buyers. The RFP also considered other factors beyond just the purchase price such as projected jobs created, tax base, zoning readiness, financial feasibility, green design, and workforce: apprenticeship and training opportunities.

The buyer, MKE Northside, doing business as Containers Up and Green Frog, plans to repurpose the site to use as their manufacturing facility. The sale and subsequent redevelopment of the Fiebrantz Garage site is anticipated to generate significant job creation and economic development benefits for the local community. The property's

new use is expected to create apprenticeship and employment opportunities and contribute to the economic growth of the area. Containers UP is a premier designer and builder of customized upcycled shipping containers. Green Frog, LLC is a locally owned and operated portable toilet rental and service company. This acquisition also requires TBE participation in the construction and professional services related to the project. The parcel was also already zoned as Industrial which is suitable for their needs so no zoning changes were necessary which made this project more feasible as well. Once the redevelopment is complete, the businesses will require a range of employees, from entry-level positions to skilled professionals, thus offering diverse employment opportunities.

Additionally, since the property will now be owned by a private company rather than the county, it will begin to generate tax revenue. This transition from public to private ownership means the property will contribute to the local tax base, providing additional funds for public services and infrastructure improvements.

The economic impact extends beyond job creation. The revitalization of the site is expected to enhance the overall attractiveness of the neighborhood, encouraging further investment and development in the surrounding areas. This ripple effect may result in increased property values, improved public infrastructure, and enhanced community services.

#### ALIGNMENT TO STRATEGIC PLAN

3B: Enhance the County's fiscal health and sustainability.

#### RECOMMENDATION

It is recommended that the Department of Transportation be authorized to accept \$487,136.39 of sales proceeds, apply these proceeds toward WT0171, increase overall bonding in WT0171 by \$420,699.61, realign expenses and revenues in WT0171, and that the Department of Administrative Services and the Office of the Comptroller be authorized to process an administrative fund transfer to implement the funding changes requested in this report.

#### FISCAL EFFECT

This request will increase bonding by \$420,699.61.

#### TERMS (If applicable)

N/A

#### VIRTUAL MEETING INVITES

Donna Brown-Martin, Director, Department of Transportation

Celia Benton, Director of Economic Development

Anthony Geiger, Senior Manager, Grants Development, Department of Transportation

Emily Streff, Project Manager, Economic Development, Department of Administration

Pamela Bryant, Director of Capital Finance, Office of the Comptroller

PREPARED BY:

Anthony Geiger, Senior Manager, Grants Development, Department of Transportation  
Emily Streff, Project Manager, Economic Development, Department of Administration

APPROVED BY:



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Donna Brown-Martin, Director, Department of Transportation

ATTACHMENTS

Resolution  
Fiscal Note  
Appraisal  
Appraisal Review  
Administrative Fund Transfer

cc: Kelly Bablitch, Chief of Staff, County Board of Supervisors  
Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk