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(ITEM) From the Director of County Economic Development, Department of Administrative Services, requesting authorization to declare the City Campus site surplus and execute an Option to Purchase at a purchase price of \$272,000 and subsequently a Development Agreement with Mr. Rick Wiegand for the City Campus site, located at 2711 West Wells Street, 2805 West Wells Street, and 763 North 28th Street, or if the Option is not exercised, to demolish two structures and transfer the property to the Redevelopment Authority of the City of Milwaukee by recommending adoption of the following:

A RESOLUTION

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

WHEREAS, Resolution 14-483 required the Department of Administrative Services (DAS), Economic Development Division (ED Division) to meet with local community groups active in the area of City Campus, along with the City of Milwaukee and Milwaukee Public Schools staff, to develop a plan for land use regarding City Campus and its surrounding neighborhood, and develop recommendations consistent with future development; and

WHEREAS, the ED Division held a community input session on July 29, 2014, that resulted in a “consensus to preserve the two-story and five-story buildings” and focus on a development that supports “local businesses surrounding the area and inspire further development”; and

WHEREAS, the DAS-Architecture, Engineering, and Environmental Services Section has prepared an estimate for demolishing the City Campus property at \$3.8 million for the entire site, of which \$2.5 million is allocated towards the current five-story and nine-story buildings; and

WHEREAS, because of the existing demolition costs, the ED Division has received an appraisal that the City Campus property has a value of -\$1.7 million; and

WHEREAS, the ED Division has received a letter of interest from Mr. Richard Wiegand, a local developer with other projects in the area, including rehabilitation of the Ambassador Hotel; and

WHEREAS, the proposal from Mr. Wiegand would only require a cost to the County of \$2.5 million compared to the estimated \$3.8 million cost budgeted; and

45 WHEREAS, the proposal includes space to relocate the Department of Health
46 and Human Services-Housing Division to City Campus, which is a desired outcome of
47 the Division; and

48 WHEREAS, if Mr. Wiegand is not able to successfully complete the project, the
49 Redevelopment Authority of the City of Milwaukee has the experience and capacity to
50 redevelop the site; and

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52 WHEREAS, the County has certain outstanding obligations (“Outstanding County
53 Obligations”), a portion of which was used to make improvements to the City Campus
54 Property (“Outstanding City Campus Obligations”); and

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56 WHEREAS, the Outstanding City Campus Obligations are approximately
57 \$270,000; and

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59 WHEREAS, if necessary, in order to maintain the tax-advantaged status of the
60 Outstanding County Obligations the County will use the proceeds of the sale of City
61 Campus or funds from Project WC112 City Campus Complex Demolition in an amount
62 necessary to redeem or defease the Outstanding City Campus Obligations within 90
63 days of the executed Option Agreement with Wiegand in order to comply with the
64 remedial action rules under Section 1.141-12 of the Treasury Regulations (“the
65 Remedial Action Rules”); now, therefore,

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67 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby
68 authorizes the County Executive to execute and record all documents and perform all
69 actions required to enter into the attached Option to Purchase (“Option”) with Mr.
70 Richard Wiegand for 2711 West Wells Street, 2805 West Wells Street, and 763 North
71 28th Street, Milwaukee, Wisconsin (“City Campus”); and

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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 DHHS-
78 Housing Division; and

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80 BE IT FURTHER RESOLVED, if the Option is not exercised by Mr. Richard
81 Wiegand prior to the expiration of the Option, the County shall proceed with demolition
82 of the five-story and nine-story building at City Campus utilizing the capital funds
83 established for such purpose in the 2015 Adopted Budget; and

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85 BE IT FURTHER RESOLVED, if the Option is not exercised by Mr. Richard
86 Wiegand prior to the expiration of the Option, and after demolition of the five-story and
87 nine-story buildings, the County shall transfer City Campus to the Redevelopment
88 Authority of the City of Milwaukee (RACM) for \$1, provided that RACM pay to the
89 County 50% of the proceeds from any resale of City Campus; and the County Executive
90 and the County Clerk and/or other appropriate County officials be hereby authorized to

91 execute, after Corporation Counsel approval, any and all instruments, rights of entry,
92 and documents that are required to implement the sale to RACM, including without
93 limitation a Warranty Deed for the property; and
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95 BE IT FURTHER RESOLVED, the Milwaukee County Office of the Comptroller is
96 authorized and directed to consult with the County's bond counsel to determine whether
97 entering into the Option and selling the City Campus property would adversely affect the
98 tax-advantaged status of the Outstanding County Obligations and, unless the County's
99 bond counsel is able to provide a legal opinion that the tax-advantaged status of the
100 Outstanding County Obligations will not be adversely affected, the Comptroller and
101 other appropriate County officials, the County's financial advisor and the County's bond
102 counsel are authorized and directed to take such actions as are necessary to
103 accomplish the redemption or defeasance of the Outstanding City Campus Obligations.
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105 BE IT FURTHER RESOLVED, among the actions that are authorized to be taken
106 are the following:
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- 108 (1) The naming of an escrow agent, execution of an escrow agreement with such
109 escrow agent, establishment of an escrow fund to provide for the redemption
110 and/or defeasance of the Outstanding City Campus Obligations, and the
111 deposit of the necessary proceeds from the sale of City Campus or other
112 funds into the escrow fund.
- 113 (2) The purchase of United States government securities with the funds
114 deposited in the escrow fund(s).
- 115 (3) Determine the date of and provide notice of the redemption and defeasance
116 of the Outstanding City Campus Obligations

117 ; and
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119 BE IT FURTHER RESOLVED, the authorization for the sale of City Campus and
120 the related actions described above are subject to determination by the County's
121 Comptroller, based on advice from the County's bond counsel, that the County is able to
122 satisfy the Remedial Action Rules or to take other action approved by the Comptroller to
123 preserve the tax-advantaged status of the Outstanding County Obligations or otherwise
124 protect the County against adverse financial consequences with respect to the
125 Outstanding County Obligations; and
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127 BE IT FURTHER RESOLVED, the Milwaukee County Office of the Comptroller
128 is authorized to pay professional fees charged by the County's financial advisor, bond
129 counsel, escrow agent, escrow verification agent, and any other professionals for
130 services performed in connection with the defeasance and/or redemption of the
131 Outstanding City Campus Obligations from the proceeds from the sale of City Campus
132 or appropriations in Project WC112 City Campus Complex Demolition.
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