

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: November 27, 2019

TO: Supervisor Theo Lipscomb, Chair, County Board of Supervisors

FROM: Aaron Hertzberg, Economic Development Director, Department of Administrative Services

SUBJECT: From the Economic Development Director, 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 Legacy Co-Working and Innovation Space development in the heart of Milwaukee in partnership with the African American Chamber of Commerce of Wisconsin.

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 "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."

DAS-Economic Development is seeking authorization to apply for a Tier 3 CDIG in an amount up to \$250,000 to assist in the development of the Legacy Co-Working and Innovation Space project (the "Project") which is led by Ossie Kendrix of the African American Chamber of Commerce of Wisconsin. The Project is focused on the rehabilitation of a formerly-empty storefront in the heart of Milwaukee, on Dr. Martin Luther King Jr. Drive in the Bronzeville neighborhood, for use as a shared office and commercial kitchen space to support inclusive entrepreneurship opportunities in the community.

The Legacy project is structured to include a co-working space to be utilized by current and new minority owned businesses that are members of the Chamber. The co-working space contains four tables for small meetings or co-working, along with eight workstations equipped with computers. The Legacy will also include an 800 sq. ft. commercial kitchen featuring 6 prep tables, a combi oven and convection oven, available for local food entrepreneurs to use at an hourly rate for food preparation and/or cooking or baking classes for the community. Additional space in the Legacy building will include private offices provided for use by growing entrepreneurs, and one commercial tenant, a coffee shop, to serve the various employees utilizing the building, as well as the general community.

The CDIG requires a local 75% match. Match funds need not be in the form of cash from the County, but can come from other public and private investment that are committed to the project. In this case, a majority of funding has already been pledged to the project in the form of loans and fundraising, and additional funding is still being raised, by the African American Chamber of Commerce of Wisconsin. Altogether the existing and expected contributions already exceed the 75% match requirement.

To implement the grant, if awarded, DAS-Economic Development will enter into an MOU with the African American Chamber of Commerce which shall include, but not be limited to, the following terms:

- Submittal to County 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;
- Guaranty that County is not responsible for financial obligations of African American Chamber of Commerce of Wisconsin;
- 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 and Welford Sanders Historic Lofts.

RECOMMENDATION

The Director of the Department of Administrative Services - Economic Development recommends 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 development of the Legacy project in partnership with the African American Chamber of Commerce of Wisconsin.

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 compliance administrator and conduit for grant funds. Staff time to monitor the project and process the reimbursements will be absorbed in the division's existing budget.



Aaron Hertzberg
Economic Development Director, Department of Administrative Services

Attachment: Resolution
 Fiscal Note
 Project Background

cc: Chris Abele, County Executive

Scott Manske, Comptroller
Economic and Community Development Committee Members
Teig Whaley-Smith, Director, Department of Administrative Services
Raisa Koltun, Chief of Staff, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Steve Cady, Research & Policy Director
Allyson Smith, Committee Coordinator
Ken Smith, Research Analyst

