

# COUNTY OF MILWAUKEE

## INTEROFFICE COMMUNICATION

**DATE:** October 7, 2020

**TO:** Supervisor Marcelia Nicholson, 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 Community Within the Corridor mixed-use development in former industrial buildings in the Fond du Lac and North Avenue neighborhood.

### **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 Community Within the Corridor mixed-use residential, commercial, and community space project (the "Project"), a joint venture between developers Scott Crawford, Inc. and Roers Companies, with property manager Common Bond. The Project is focused on the rehabilitation of the former industrial site of Briggs and Stratton, near downtown Milwaukee on 32<sup>nd</sup> Street and Center, for use as a mixed-use space for residential affordable housing, community service and recreational space, and commercial use. The site was purchased earlier this year, in May of 2020. Anticipated start date of construction is November 2020, with completion in early 2022.

The WEDC CDI grant is not applicable to residential developments, so the grant (and the matching funds required by WEDC) will only apply to the commercial use portion of the Project. The \$60 million dollar Community Within the Corridor project is anticipated to include 197 affordable housing units, a 35,000 square foot Community Service Facility, and 25,000 square feet of recreational space. The commercial portion, covered by this grant, will feature a daycare, small grocer, after school programming, a laundromat, and a creative collaborative workspace. An estimated 260 new construction jobs, and 25 permanent jobs, will be created by this Project.

The site being developed for was purchased in May of 2020. Anticipated construction start date will be November 2020, with a completion date of March 2022.

The CDI grant usually requires a local 75% match, but this year the WEDC has modified the grant program to require a local 50% match instead. 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, funding has been acquired primarily in the form of loans, with some tax credits, grant funds, and tax incremental financing, as outlined on the attached grant application. 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 Community Within the Corridor, 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;
- Guarantee that County is not responsible for financial obligations of Community Within the Corridor;
- 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, Welford Sanders Historic Lofts, and, earlier this year, the Legacy co-working space with the African American Chamber of Commerce.

### **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.

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Aaron Hertzberg  
Economic Development Director, Department of Administrative Services

Attachment:           Resolution  
                              Fiscal Note

Project Overview  
Project Grant Application

cc: David Crowley, County Executive  
Scott Manske, Comptroller  
Economic and Community Development Committee Members  
Julie Landry, Director, Department of Administrative Services  
MaryJo Meyers, Chief of Staff, Office of the County Executive  
Kelly Bablitch, Chief of Staff, County Board of Supervisors  
Allyson Smith, Committee Coordinator  
Steve Cady, Research & Policy Director