

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: May 11, 2021

TO: Supervisor Marcelia Nicholson, Chair, County Board of Supervisors

FROM: Aaron Hertzberg, Acting Director, Department of Administrative Services

SUBJECT: From the Director of the Department of Administrative Services providing an informational report on the status of the Couture development at the site of the former Milwaukee County Downtown Transit Center

REQUEST

This report is for informational purposes, there is no request at this time.

REPORT

On August 26, 2016, Milwaukee County entered a Development Agreement with Couture, LLC, represented by Rick Barrett, for construction of a 44-story mixed-use building with first floor transit amenities at 909 E. Michigan Street, Milwaukee. The Agreement outlines developer terms following acquisition of the property from Milwaukee County. Previous reports to and approvals by the County Board are referenced with file numbers in the Previous Legislation section of this report.

After years of planning and efforts to secure funding the developer closed on their financing on April 30, 2021. This includes a loan guarantee from the United States Department of Housing and Urban Development (HUD), in the amount of \$103,480,000, as well as private financing. The project is anticipated to have a development cost of \$188 million.

The Development Agreement outlines several responsibilities of the developer including, but not limited to:

- incorporation of transit concourse to accommodate Milwaukee County Transit System (MCTS) operations including but not limited to the planned bus rapid transit line, the City of Milwaukee's Lakefront Streetcar Line and other amenities;
- a 40-year lease for County use of transportation elements and public easements for pedestrian ways and amenities;
- labor standards and Community Benefits Compliance Plan obligations; and timelines for commencement and completion of construction.

As reported last December (File 20-904), the County entered a Letter Agreement with the Developer to acknowledge modifications necessary to conform the Agreement to the facts as they existed at the time. In the interest of moving the project forward, the Letter Agreement was modified to reflect the revised financial closing and construction resumption timelines. It's important to note that the completion timelines remain unchanged so as to comply with City and County commitments to the Federal Transit Administration (FTA).

The City of Milwaukee intends to have the Streetcar concourse delivered and operational by June 30, 2022. Construction would continue onsite with building completion and delivery of the County portion of the transit concourse by August 1, 2023. MCTS services would be operational within 60 days.

County staff from the Department of Administrative Services – Economic Development Division will be tracking Community Benefit requirements throughout the project. The developer has engaged a firm, Prism Technical to assist in their compliance to both City and County obligations.

Background

BVD acquired the former Downtown Transit Center from Milwaukee County via an Option approved by Milwaukee County (File 14-827). The Option was exercised by the developer and the land transferred in 2016. As part of the development agreement, a contingency of sale, the developer was required to demolish the Downtown Transit Center and to construct the building with a ground floor transit facility to house a station for the City of Milwaukee’s Streetcar and Milwaukee County Transit System (MCTS) operations.

The FTA had made prior investment in the County’s Downtown Transit Center that was formerly onsite. The remaining undepreciated value of the FTA’s prior investment, \$6,705,068 million is to be offset by construction of the public and transit amenities in the Couture building and a 40-year lease for continued transit function.

Project Overview

The project consists of a \$188 million, 44-story mixed-use development planned at 909 E. Michigan Street. 312 apartments are planned with additional retail space. The first floor of the building includes amenities for the downtown Streetcar and MCTS. The transit related components offset FTA investment in the County’s Downtown Transit Center that previously was at the location. Additional project details are available via the County Board files referenced below.

Previous Legislation

- File 11-401 –approval of lakefront plan and beginning of redevelopment
- File 12-633 –approval of Barrett Visionary Development and the Couture negotiations
- File 13-152 –approval of legal representation and title work
- File 14-827 –approval of Option to Purchase with Barrett Visionary Development
- File 17-158 –approval of a recommendation to receive and place on file an informational report
- File 17-432 –approval of a recommendation to receive and place on file an informational report
- File 18-312 –discussed an informational report with no action taken
- File 18-562 –discussed an informational report with no action taken
- File 18-776 –discussed an informational report with no action taken
- File 19-661 –discussed an informational report with no action taken
- File 20-475 –discussed an informational report with no action taken
- File 20-754 –discussed an informational report with no action taken
- File 20-904 –discussed an informational report with no action taken

RECOMMENDATION

This report is for informational purposes, there is no request at this time.

Submitted by:

Aaron Hertzberg
Acting Director, Administrative Services

cc: David Crowley, County Executive
Economic and Community Development Committee Members
Donna Brown-Martin, Director, Department of Transportation
MaryJo Meyers, Chief of Staff, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Scott Manske, Comptroller
Steve Cady, Research & Policy Director