



Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

Lafayette L. Crump
Commissioner

Vanessa L. Koster
Deputy Commissioner

October 16, 2024

Jerome Flogel, P.E.
Senior Project Manager
Milwaukee Metropolitan Sewerage District
260 West Seeboth Street
Milwaukee, WI 53204-1446

Subject: City of Milwaukee Funding Agreement MI0005MI08
Amendment Request

Dear Mr. Flogel,

The City of Milwaukee is requesting the following **changes** to the existing funding agreement MI0005MI08.

Funding:

- FA Article 2: District Funding; revise not to exceed cost to \$2,522,500.00, an increase of \$1,300,000.

Schedule:

- FA Article 1: Term of Agreement; extend the completion date from March 17, 2025 to June 30, 2026.

The City of Milwaukee is supplying the following **narrative** for the changes to the existing funding agreement listed above.

Funding:

In March of 2023, the City entered into a Funding Agreement for the Homes MKE program. The Homes MKE program is renovating vacant houses in the City's inventory of tax-foreclosed residential property and returning them to productive use. The work plan included investigation work, and CCTV of 150 properties laterals. The CCTV footage is then reviewed by City of Milwaukee staff to determine if the lateral needs to be rehabilitated. The preferred rehabilitation method has been full replacement from the sewer main to basement cleanout. As of September 2024, 50 homes' laterals have been examined, and 39 homes' laterals have been recommended for replacement.

The work plan initially projected 40% replacement; currently, the replacement level is above 85% (sample size of 45). In addition, the work plan also called for lateral rehabilitation at a rate



of 30% when 0% of the CCTV inspections would allow for partial replacements or rehabilitations.

The open trench method has been used for replacements since it is the preferred approach of the contractors and allows for unimpeded visual inspection. Accordingly, other methods could not reduce costs. The actual cost of full replacements, including all public right-of-way work, has been nearly double the projected cost.

Schedule:

Funding Agreement M10005M108 stipulates final payment from the District on or before March 17, 2025. Given the complexity of the housing rehabs, HOMES MKE has amended its internal Vendor Services Agreements to allow for HOMES MKE Developer's final invoice submission until September 30, 2026.

The requested extension to June 30, 2026, reflects the desired early completion of sewer lateral work, allowing the HOMES MKE developers to complete lower-level work, landscaping, and façade work following lateral replacement. The City is confident that all needed lateral rehabilitation for the remaining homes will be completed and paid for by June 30, 2026, for the Homes MKE program.

If you have any questions, please get in touch with Mr. Robert Seleen at (414) 286-2465 or Mr. Edward Miller at (414) 286-6056

Sincerely,



Lafayette L. Crump
Commissioner of City Development

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