



MEMO

TO: Finance and Personnel Committee, Milwaukee Common Council

FROM: Jennifer Meyer-Stearns, Deputy Director

DATE: October 16, 2023

RE: 2024 Budget Capital Request for Martin Luther King Branch Development

The Milwaukee Public Library (MPL) is requesting \$2,000,000 in Capital funds as part of the 2024 Proposed Budget. These capital funds are required for the build-out of the Martin Luther King Branch which is part of the MLK Library Apartments project, a full block redevelopment at the corner of Martin Luther King Drive and Locust Street. The MPL MLK redevelopment projects consists of two distinct financial components:

- 1) Payment to the developer for a grey/white box shell as part of their core & shell construction commitments, and in the case of MLK, other City of Milwaukee financial support for the redevelopment investment impact of the project.
- 2) Build-out of the Library Unit, including all interior construction, HVAC & facility maintenance systems, security and building controls, staffing, book sorting operations, and all components of the finished public facing spaces including technology, fixtures, furniture and equipment.

The request for additional funds is in response to the extraordinary construction cost increases of the past few years. The Concord Group, professional construction estimators that are working with the MPL architects, Moody Nolan, show cost escalation from 2020 to 2024 ranging from 6.9 to 7.9 percent per year. The MLK Branch Library Buildout will go out for formal construction BIDs in late 2023.

The MLK Library Apartments development and the separate MPL Library build-out project are in a position similar to many projects reviewed by the Common Council in the last few years where a last-minute infusion of funds is required for completion due to construction market volatility during and post -COVID. After many years the MLK library branch is now under construction and the additional funds will allow the notable and celebrated MLK Library Branch to be completed and opened in 2024.

Please reach out to me with any additional follow-up questions or concerns.



MEMO

Summary Timeline for the Redevelopment of MLK Library:

| Real Estate Development Project and MLK Branch Core and Shell | | MLK Branch Library Buildout | |
|---|--|-----------------------------|--|
| 9/26/2016 | MPL Board issues RFP for New Library | January 2020 | MPL issues RFQ for library design |
| 12/20/2016 | MPL Board selects Young Development Group Multiple partners assessed for project Unable to finance project | June 2021 | Contract signed - Moody Nolan Architects Schematic Design Developed |
| July 2020 | MPL ends relationship with Young. GenCap/Emem start work on project. | 2021-2022 | Waiting period during Developer financing MPL Evaluates prospect of Standalone MLK MPL seeks alternate funding sources |
| 11/4/2020 | GenCap/Emem granted exclusive right to negotiate for development of Library. Project expanded to full block. Signed Draft Term Sheet MPL – GenCap/Emem | May 2023 | Restart design process Review budget needs for Library Build-out Request updated construction review |
| Spring 2021 | Project awarded WHEDA LIHTC | June - Oct 23 | Construction docs and cost estimates |
| Nov. 2022 | Project awarded City of Milwaukee TID, Housing Trust Fund and State ARPA funds | 12/1/2023 | Construction docs out to bid |
| April 2023 | Financing Finalized and Closes for 37.2 Million Project construction begins in June 2023 | 1/15/2024 | Bids received and up for review |
| | | March 2024 | Award contract for MLK library build |
| | | March 2024 | Core and Shell is turned over to MPL |

Attachments:

MLK Build-out Funding Sources 9.29.23

MPL MLK Library DD For Owner - Concord 10 06 23