

..Number

..Version

PROPOSED SUBSTITUTE A

..Reference

220643, 220400, 240382

..Sponsor

ALD. COGGS

..Title

Proposed substitute resolution approving the Land Disposition Report and conveyance of the Redevelopment Authority properties at 2307-09 North 6th Street, 2317-25 North 6th Street, 616-20 West North Avenue, 622 West North Avenue, 626 West North Avenue, 628-30 West North Avenue, 2316-18 North 7th Street and 2322 North 7th Street, in the 6th Aldermanic District.

..Analysis

This resolution authorizes the conveyance of the Redevelopment Authority of the City of Milwaukee-owned property to Bronzeville Apartments, LLC for redevelopment according to the conditions in a Land Disposition Report pursuant to Sections 304-49-5 and 304-49-8, Milwaukee Code of Ordinances.

..Body

Whereas, The North 7th Street-West Garfield Avenue Redevelopment Plan was adopted in 1983; Amendment No. 1 was adopted in 1984, in part to eliminate blighting influences and to attract and promote African-American arts, entertainment and culture within the Redevelopment Plan boundary; and

Whereas, Amendment No. 2 to the North 7th Street-West Garfield Avenue Redevelopment Plan Project Area was adopted in 2005 to facilitate the Bronzeville Cultural and Entertainment District; and

Whereas, The Redevelopment Authority of the City of Milwaukee ("RACM") owns the Properties (2307-09 North 6th Street, 2317-25 North 6th Street, 616-20 West North Avenue, 622 West North Avenue, 626 West North Avenue, 628-30 West North Avenue, 2316-18 North 7th Street and 2322 North 7th Street); and

Whereas, RACM listed the Properties for sale with a Request for Proposals; it being contemplated that the City property would be transferred to RACM to facilitate the redevelopment, so that all of the properties are under RACM ownership; and

Whereas, Six responses to the RFP were received and the Department of City Development ("DCD") performed its due diligence regarding the proposals, convened a selection team comprised of City staff and other stakeholders, and subsequently narrowed the selection of a proposal to the top three finalists; and

Whereas, The top three finalists presented their proposals at the Bronzeville Advisory Committee ("BAC") and the BAC unanimously recommended the proposal by FIT Investment Group and Lutheran Social Services that together are (the "Developer"); and

Whereas, On August 18 2022, RACM approved Resolution No. 10920 and the Common Council approved Resolution No. 220643 authorizing the conveyance of the City-owned, tax-foreclosed, property at 616-18 West North Avenue to RACM and granting FIT Investment Group ("FIT") an Exclusive Right to Negotiate for the purchase and development of the Properties, allowing FIT to apply for Wisconsin Housing and Economic Development Authority ("WHEDA") Low Income Housing Tax Credits ("LIHTC"); and

Whereas, FIT was awarded LIHTC in 2023; and

Whereas, The redevelopment of the Properties is contemplated to include residential and commercial components (collectively referred to as "Bronzeville Creative Arts and Tech Hub") comprising two condominium units, each a separate project for the purposes of ownership and financing; with Bronzeville Apartments, LLC acting as the initial purchaser of the Properties (the "Buyer"). It is contemplated that Buyer will retain ownership of the residential component and Bronzeville Arts and Tech Hub, LLC will own the commercial component; and

Whereas, The Bronzeville Creative Arts and Tech Hub will be a new multi-purpose development with an arts and technology hub, boutique café, and approximately 60 residential housing units, using, in part, WHEDA LIHTC and other anticipated funding sources, including, without limitation, New Market Tax Credits, all as summarized in the Land Disposition Report and Due Diligence Checklist, copies of which are part of this file; and

Whereas, certain parts of the Properties contain deed restrictions which must be released in order to facilitate development of the project, and for which Common Council approval is required in order to release said restrictions; and

Whereas, On July 10, 2024, the RACM Board passed a resolution approving conveyance of said RACM Properties for this development; now, therefore, be it

Resolved, That The City of Milwaukee Common Council hereby approves the Land Disposition Report and Due Diligence Checklist, and RACM officials are hereby authorized to negotiate and enter into a Purchase and Sale Agreement with the Buyer, or assignee, (and, as applicable, with the RACM) for conveyance of the parcels to the Buyer and for the development and subsequent ownership of the same, and the RACM officials are authorized to release the deed restrictions on the Properties, and the RACM officials are further authorized to close on that transaction and to take such further actions as may be required to effectuate the intent of this resolution; and, be it

Further Resolved, That the Property sale proceeds, less sale and marketing expenses and a thirty percent disposition cost reimbursement to RACM, shall be deposited into TID No. 59.

..Drafter

DCD:Matt.Haessly:mfh

07/16/24