



Midtown Neighborhood Association

2501 West Galena Street Milwaukee, WI 53205 TEL 414-342-6656 FAX 414-342-7913

Fax Cover Sheet

To: Ula. Rosa Comeran of Victoria Drake

Organization: Neighborhood Council

Fax #: 286-3456

From: Ralph Beverly

Number of pages (including cover): ~~1~~ 4

Date: 7/2/01

Notes: Please call if you have
questions. I'll try you on Thursday if I
don't hear otherwise.

The information contained in this fax is confidential and should not be duplicated without permission. If there are any problems with the transmission of this fax, please call 342-6656.

Thank you.



Midtown Neighborhood Association

2501 West Galena Street • Milwaukee, WI 53205 • Tel: 414-342-6656 • FAX: 414-342-7913 • e-mail: mtna@execpc.com

TO: Alderwoman Rosa Cameron
FR: Ralph Beverly, Executive Director *RB*
DA: June 29 2001
RE: Community Development Committee scheduled item for July 10

On 7/10 your committee's agenda includes our request to transfer a previously awarded Large Impact Development (LID) grant from City Depot at 2506-2534 W. Lisbon Ave. to another project.

Midtown had completed a majority of development tasks when unforeseen medical problems forced the owner to halt the project. During this time, the president of Roberts Roofing and Siding (in Glendale) contacted us about relocating. Our proximity to the Interstate and available labor force made Midtown an ideal location for the company. Working with the City and the company we have:

- identified the preferred site (1500 W. Galena, formerly Scot Industries);
- begun negotiations with the site owner to donate a portion of the site to MTNA and securing insurance coverage to indemnify the donor in exchange;
- completed a Phase 1 environmental assessment;
- developed a pro-forma that estimates a \$1.6 million project;
- organized and registered a Limited Liability Company to develop the site;
- applied to the Local Initiatives Support Corporation (LISC) for predevelopment support (a recoverable grant) for legal, insurance, surveying and other tasks;
- engaged a realtor to work with us on acquisition of adjacent parcels; and
- requested County support for this project.

Roberts Roofing and Siding will be a 2-phased project that includes:

- a 30,000 S/f office/warehouse facility on an underutilized, vacant urban block;
- bringing a staff of 60-90 FTEs and a potential increase to 150 to Midtown (which consistently tops the city in unemployment rankings);
- an increase in the assessed valuation and tax revenue for this area;
- the owner's plans to create an apprenticeship training program for new employees that will increase the number of employed residents in family supporting jobs.

LID funds would be used in the same way we proposed for City Depot but the investment would have a much larger effect on Midtown in terms of jobs and neighborhood impact.

This Spring, the CD Committee approved a similar request by the North Avenue CDC to transfer LID funds from one project on North Avenue to another. We hope you will give this request favorable consideration.



CDBG



Midtown Neighborhood Association

2501 West Galena Street • Milwaukee, WI 53205 • Tel: 414-342-6656 • FAX: 414-342-7913 • e-mail: mtna@execpc.com

May 31, 2001

Ms. Juanita Hawkins, Director
Community Development Block Grant Agency
Department of Administration
200 East Wells Street, 6th Floor
Milwaukee, WI 53202

Dear Juanita:

Midtown Neighborhood Association respectfully requests the transfer of a previously awarded Large Impact Development (LID) grant. The award was originally made to support the City Depot Project at 2506-2534 W. Lisbon Avenue. Due to circumstances outlined below, we are hopeful that you will favorably consider the transfer of LID funds to another, more substantial economic development effort in the Midtown area.

With the City Depot project, considerable progress was made. However, timing and unforeseen medical conditions of our development partner made our involvement in this project problematic. Midtown had completed a majority of development tasks for the City Depot project. We had:

- organized the Limited Liability Company;
- secured the needed property, including (though not limited to) a difficult process of working with the City on condemnation of one of the parcels, its acquisition, demolition and clearance;
- performed (at the City's behest and at our expense) both Phase I and a partial Phase II environmental assessment;
- published the Finding of No Significant Impact (FONSI);
- assembled the design and development team and the financing package;
- created a proposal to finance a \$1.3 million project; and
- initiated discussions with several lenders on the financing of the deal.

Twice during the past year, the owner, Mr. Mike Ahmad was hospitalized for heart surgery (first for a quadruple bypass and second to correct what did not work the first time). As we neared contracts, Mr. Ahmad felt that he could not comfortably move forward on the expansion as proposed and expressed his wish that the work on his project end until he could move forward with confidence in his health. We are still trying to recover pre-development expenses we incurred related to this effort and the CBGA's LID Checklist to which we tried to adhere.

While working on City Depot we were approached by the president of Roberts Roofing and Siding (currently located in Glendale) about their interest in relocating to Midtown. Our proximity to the Interstate and the available labor force made Midtown an ideal location for the company.



Ms. Juanita Hawkins, Director
May 31, 2001
Page Two

Working with the City, we began a process of evaluating workable sites. To date we have:

- identified the preferred site (1500 W. Galena, formerly Scot Industries);
- initiated negotiations with the property owner to donate a portion of the site to MTNA ;
- had a Phase 1 environmental assessment performed;
- developed a pro-forma that estimates a \$1.7 million project;
- organized and registered a Limited Liability Company to develop the site;
- applied to the Local Initiatives Support Corporation (LISC) for predevelopment support (in the form of a recoverable grant) for legal, insurance, surveying and other tasks;
- initiated inquiries into environmental insurance policies in order to receive a property donation and indemnify the donor;
- engaged a realtor to work with us on acquisition of adjacent parcels; and
- begun discussions with the County on resources available for this project.

As it became apparent that the City Depot Project would not get underway in the time allotted by the CBGA's guidelines, we began discussions with our Alderman Willie Hines about the "transferability" of the LID funds to the Roberts Roofing initiative. Meanwhile, the North Avenue CDC was successful in a similar transfer of LID funds from one project on North Avenue to another.

If you can approve such a request for this project, Roberts Roofing and Siding will begin a 2-phased project that will:

- build a 30,000 S/f office and warehouse facility on an underutilized and vacant urban block;
- bring its current staff of 60-90 FTEs and a potential increase to 150 to a neighborhood which consistently tops the city in unemployment rankings,;
- increase the assessed valuation and tax revenue for this area;
- allow the company's owner to initiate an apprenticeship training program for new employees that will further increase the number of employed residents in family supporting jobs.

The LID funds would be used in the same way for the Roberts Roofing project as we proposed for City Depot but the investment would have a much larger impact on the Midtown neighborhood. I appreciate your careful and favorable consideration of this request.

Sincerely,



Ralph Beverly
Executive Director