

10/30/08

## **COOPERATION AGREEMENT**

### **TAX INCREMENT DISTRICT NO. 59 (BRONZEVILLE)**

**THIS COOPERATION AGREEMENT** (“Agreement”) is entered into as of \_\_\_\_\_, 2008, by and between the City of Milwaukee, Wisconsin, a Wisconsin municipal corporation (“City”) and the Redevelopment Authority of the City of Milwaukee (“RACM”).

#### **WITNESSETH THAT:**

Whereas, in 2005, the City created Tax Incremental District No. 59, the Bronzeville TID. The Bronzeville TID covers a substantial area of the city, stretching from Burleigh Street on the north, Garfield Avenue on the south, King Drive on the east and N. 7<sup>th</sup> Street on the west. Overall, the district is one of the City’s largest but at its heart is the creation of an African American Cultural and Entertainment District with the goal of re-creating, in the area surrounding W. North Ave., the jazz clubs, restaurants and night-life for which this area was famous up to the 1950s; and

Whereas, the TID has programmed funding for selective land acquisition in the entertainment area of the district, and provides funding for street improvements, signage, a loan or grant fund to assist new construction or renovation projects, façade improvements, and a residential renovation grant program. Total funds from all sources targeted at this program amount to \$4.5 million with the TID providing \$3.3 million; and

Whereas, America’s Black Holocaust Museum (the “Museum”), which operated at 2233 N. 4<sup>th</sup> Street (the “Property”), was a key component of the African American Cultural district; and for years served as a constructive reminder of past racial injustices throughout the nation; and

Whereas, earlier this year, the Museum closed its doors due to a lack of resources with which to operate and meet its debts; and

Whereas, the Museum's lender, North Shore Bank, in an effort to give the Museum an opportunity to reopen, has continued to delay foreclosure actions on the Museum's N.4<sup>th</sup> Street facility, and has agreed to release its collateral interest in the Museum's exhibits (the "Museum Exhibits"); and

Whereas, the City, utilizing funds available from TID 59 proposes to acquire the Property in order to assure that this facility's future use is compatible with the objectives of the African American Cultural District and with the Redevelopment Plan that applies to this property; and

Whereas, RACM adopted its Resolution No. \_\_\_\_\_ and the Common Council adopted Resolution File No. \_\_\_\_\_ authorizing the execution of this Cooperation Agreement and the funding of a grant from TID 59 to RACM that will be used to purchase the Property, in accordance with the terms and conditions set forth on Exhibit A, attached hereto; now

**THEREFORE**, The parties hereto mutually agree as follows:

1.     Establishment of Fund Account. The City will provide to RACM from TID 59 Account No. TD05988001, funds in the amount of \$280,000. The City Comptroller shall establish such funds and accounts in TID 59 as necessary to accomplish the transaction contemplated herein.

2.     Use of Fund Account. Funds granted by the City to RACM shall be utilized solely for RACM's acquisition of the Property, as set forth in the Term Sheet, and related holding costs.

3.     Disposition of Property. Any subsequent disposition or use of the Property shall be subject to approval by the City and shall be consistent with land uses contemplated in the Redevelopment Plan for the Bronzeville Cultural and Entertainment District.

**IN WITNESS WHEREOF,** The parties have executed this Agreement the day and year as hereinafter set forth.

CITY OF MILWAUKEE

\_\_\_\_\_  
Tom D. Barrett, Mayor

Date:\_\_\_\_\_

\_\_\_\_\_  
City Clerk

Date:\_\_\_\_\_

**COUNTERSIGNED:**

\_\_\_\_\_  
City Comptroller

Date:\_\_\_\_\_

Approved as to form, execution, and  
content this \_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
Assistant City Attorney

REDEVELOPMENT AUTHORITY  
OF THE CITY OF MILWAUKEE

\_\_\_\_\_  
Katherine West, Chair

\_\_\_\_\_  
Rocky Marcoux, Exec. Director

## **EXHIBIT A**

- Property: 2233-2235 N. 4<sup>th</sup> St., Milwaukee, WI
- Seller: America's Black Holocaust Museum, Inc.
- Buyer: Redevelopment Authority of the City of Milwaukee
- Bank: North Shore Bank
- Purchase Price: \$1.00 subject to customary proration of utilities, real estate taxes, etc. and satisfaction of existing liens, including tax liens, and collateral interests against the Property and Museum Exhibits.
- Satisfaction of Mortgages: On or prior to closing Bank will release its mortgages on the Property, as recorded on June 11, 1999 and March 13, 2001, as well as the indebtedness and security interests set forth below, in consideration for a payment of \$250,000.00 by the Buyer.
- Termination of Indebtedness: Bank shall extinguish the Business Note dated October 1, 2007 from Seller in the original principal amount of \$380,669.63, including all accrued interest and other charges due and owing thereunder. Bank shall extinguish its Revolving Credit Agreement with Seller dated June 8, 1999, as amended on July 30, 1999 as well as a Forbearance Agreement dated August 17, 2004, as amended on April 25, 2005 and on August 19, 2005.
- Release of General Business Security Agreements ("GBSAs"): Bank shall release its security interests in Seller's personal property as evidenced by GBSAs dated June 8, 1999 and February 17, 2004, as perfected by the filing of UCC-1 financing statements with the Wisconsin Dept. of Financial Institutions on July 9, 1999 and a continuation statement dated April 8, 2004.
- Title, Permitted Liens and Encumbrances: Seller shall convey the Property free and clear of all liens and encumbrances, except municipal and zoning ordinances, recorded utility easements, recorded building and use restrictions and covenants, and general taxes, if any.
- Closing: Date to be mutually agreed on by the Seller, Bank and Buyer. Seller shall deliver possession of the Property at closing.
- Term Sheet: This Exhibit A does not constitute a binding agreement. The terms set forth herein, and other provisions customary for a transaction of this sort, shall be incorporated in one or more agreements, as necessary, involving the Buyer, Seller, and Bank.