



Legislation Details (With Text)

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Effective date:

Title: Resolution approving agreement between City and U.S. Department of Commerce - Economic Development Administration concerning 611 West National Avenue.

Sponsors: THE CHAIR

Indexes: AGREEMENTS, ECONOMIC DEVELOPMENT

Attachments: 1. U.S. EDA-City Agreement as of 12-1-14, 2. Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
11/25/2014	0	COMMON COUNCIL	ASSIGNED TO	Fail	
12/3/2014	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
12/9/2014	0	ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	5:0
12/16/2014	0	COMMON COUNCIL	ADOPTED	Pass	14:0
12/29/2014	0	MAYOR	SIGNED		

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ORIGINAL
920836
931831
THE CHAIR

Resolution approving agreement between City and U.S. Department of Commerce - Economic Development Administration concerning 611 West National Avenue.

Adoption of this resolution by the Common Council of the City of Milwaukee will approve an agreement between the City and the U.S. Department of Commerce - Economic Development Administration concerning 611 West National Avenue, which parcel is now in property-tax foreclosure.

Whereas, The Common Council, in Resolution File No. 920836, authorized the City to jointly apply, with Esperanza Unida, Inc. for a grant from the EDA to improve Esperanza's building at 611 W. National Avenue (the "Parcel"), and directed that a Cooperation Agreement between the City and Esperanza be drafted, as required by the EDA as part of the EDA grant; and

Whereas, The Common Council, in Resolution File No. 931831, approved the Cooperation Agreement between the City and Esperanza, under which Esperanza was designated the Lead Entity for purposes of grant administration and under which Esperanza agreed to comply with statutory, program and administrative requirements in the grant; and

Whereas, The City and Esperanza did apply for the grant, and the EDA, on April 6, 1994, did award a \$712,800

grant to be used as part of a \$1,056,000 project to improve the first and second floors of the building at the Parcel; and

Whereas, Per the grant, Esperanza gave the EDA a mortgage in the Parcel that was to last for 25 years, until March 29, 2019, to secure possible payment to the EDA of a damage amount should Esperanza breach grant and mortgage conditions, with the payment to the EDA including the possibility of repayment of the grant, plus interest, or payment to the EDA of 67.5% of the fair market value of the Parcel; and

Whereas, EDA is concerned about compliance issues concerning the grant and mortgage conditions; and

Whereas, The Parcel is in the City's property-tax foreclosure case with an expected tax-foreclosure judgment date of January 5, 2014; and

Whereas, The building has code violations; and

Whereas, The EDA, at a November 18, 2014 meeting, was amenable to the City acquiring the Parcel by tax foreclosure, issuing an RFP, and conveying to a party with payment proceeds going to the City for taxes and to the EDA toward the EDA damage amount; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Council, hereby approves City entry into the EDA-City Agreement that is part of this file, or an agreement materially similar thereto, and authorizes the City and its personnel to take such actions as are contemplated or required thereunder to effectuate that agreement and the intent of this resolution; and be it.

Further Resolved, That, if the RFP results in a buyer that EDA and the City DCD approve, DCD shall promptly report to the Council the information required by MCO 304-49-5-b and seek Council approval of the conveyance per MCO 304-49-5-a, with the Council recognizing that, if the City acquires the Parcel by tax foreclosure, the EDA hopes for a prompt conveyance to a City-approved and EDA-approved buyer.

City Attorney
Greg Hagopian
11/21/14