Legislation Details (With Text)

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File created:	4/15/2016	**In control:**	PUBLIC WORKS COMMITTEE
On agenda:		**Final action:**	5/24/2016
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Title: Substitute resolution relating to a development agreement, a $5.3 million loan and the surplus declaration and sale of a portion of a City-owned parking lot located at 1643 South 9th Street to Gorman & Company, Inc. for a development project that includes a new Milwaukee Public Library branch to be located at 906-910 West Mitchell Street, in the 12th Aldermanic District.

Sponsors: ALD. PEREZ

Indexes: LIBRARIES, REDEVELOPMENT, URBAN

Attachments: 1. 151852 Land Disposition Report as of 5-3-16.pdf, 2. 151852 Fiscal Impact Statement.pdf, 3. 151852 Term Sheet as of 5-6-16.pdf, 4. 151852 Due Diligence Checklist.pdf, 5. Presentation, 6. Letter to Mayor, 7. 151852 City Plan Commission Letter.pdf

Date	Ver.	Action By	Action	Result	Tally
4/15/2016	0	COMMON COUNCIL	ASSIGNED TO		
5/11/2016	1	PUBLIC WORKS COMMITTEE	RECOMMENDED FOR ADOPTION	Pass	5:0
5/23/2016	1	CITY PLAN COMMISSION	RECOMMENDED FOR ADOPTION AND ASSIGNED	Pass	5:0
5/24/2016	1	COMMON COUNCIL	ADOPTED	Pass	15:0
5/25/2016	1	MAYOR	SIGNED		

151852
SUBSTITUTE 1

ALD. PEREZ
Substitute resolution relating to a development agreement, a $5.3 million loan and the surplus declaration and sale of a portion of a City-owned parking lot located at 1643 South 9th Street to Gorman & Company, Inc. for a development project that includes a new Milwaukee Public Library branch to be located at 906-910 West Mitchell Street, in the 12th Aldermanic District.

This substitute resolution authorizes the execution of a development agreement and other development-related documents among the City, the Milwaukee Public Library and Gorman & Company, Inc. for a development project that includes a new Milwaukee Public Library branch at 906-910 West Mitchell Street; it approves a Land Disposition Report and declares the easternmost portion of the City-owned parking lot at 1643 South 9th Street to be surplus to municipal needs and authorizes its conveyance to Gorman & Company, Inc. or one of its affiliates involved in the development project; and it authorizes the execution of loan documents for the City to provide $5.3 million to as a leveraged loan in the New Markets Tax Credit financing for the development project.

Whereas, The City of Milwaukee ("City") owns a surface parking lot located at 1643 South 9th Street, the easternmost portion of which, as described in the Land Disposition Report ("Parking Lot Parcel"), is adjacent to 906-910 West Mitchell Street (the "Development Property"); and

Whereas, The City desires to convey the Parking Lot Parcel to Gorman & Company, Inc. or one of its affiliates involved in the development project (collectively the "Developer")

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to provide parking for the Development Property as described in a Term Sheet; and

Whereas, The Developer will acquire the Development Property and perform renovations on the Development Property to include historic renovations, construction of apartment units on the upper floors and construction of the white box shell of the space that will be used for the new library branch on the 1st floor, mezzanine and basement; and

Whereas, The Capital Improvements Branch Library New Construction account number 0312-9990-R999-LB145160200 was funded in the amount of $4,800,000 in the 2016 adopted budget; and

Whereas, In connection with the New Market Tax Credit / Historical Tax Credit structure for the development project, Developer will be providing the City approximately $800,000 towards the construction of the library space; and

Whereas, The City desires to receive the contribution and apply it towards the construction of the library space; and

Whereas, The City will combine the $800,000 received from the Developer with $4,500,000 from the amount funded for construction of the new library branch to provide a total of $5,300,000 as a loan to the project; and

Whereas, The City will loan $5.3 million to the Developer, as a leveraged loan into the New Markets Tax Credit financing structure for the project, which funds will be utilized to pay for the library shell work by the Developer and all of the interior build-out of the library space by the Milwaukee Public Library ("MPL"); and

Whereas, Following the seven-year compliance period for the New Market Tax Credits for the project, it is expected that the City will acquire ownership of a condominium unit that is the library space through the unwinding of the New Markets Tax Credit structure; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Term Sheet and the Land Disposition Report, copies of which are attached to this Common Council File, are approved and that the appropriate City officials are authorized to enter into a development agreement and any other necessary project-related documents, materially consistent with the Term Sheet; and, be it

Further Resolved, That the easternmost portion of the Parking Lot is declared to be surplus to municipal needs and may be conveyed to Developer in accordance with the Land Disposition Report and the Term Sheet; and, be it

Further Resolved, that MPL is authorized to accept $800,000 of contributions for the Mitchell Street Library Project from Developer; and, be it

Further Resolved, That upon the receipt and deposit of these funds, the City Comptroller is authorized and directed to establish a special account within the MPL budget for the expenditure of the contributions; and, be it

Further Resolved, That the City Comptroller is authorized and directed to transfer appropriations and estimated revenue from the Special Purpose Account for Contribution, 0001-2110-0001-006300, and the Estimated Revenue Account for Contributions, 0001-2110-0001-009850, to the MPL Special Account, 0001-8610-006300-DXXX and the MPL Estimated Revenue Account, 0001-8610-0001-009850, up to the amount of $800,000; and be it

Further Resolved, That the $800,000 contribution received from Developer is to be used to increase the amount of the loan to the Developer; and be it

Further Resolved, That the $5.3 million loan to the Developer is approved and that the appropriate City officials are authorized to enter into any loan-related documents

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necessary to make the loan in accordance with the Term Sheet; and, be it

Further Resolved, That the $5.3 million loan shall be funded by the Branch Library New Construction Account No. LB145160200 and the MPL contribution account and the City Comptroller is authorized to make such transfers as are necessary to affect the loan; and be it

Further Resolved, that the City Comptroller is authorized to make such transfers and accounting entries to carry out the intent of this resolution.

Milwaukee Public Library/Department of Public Works
CA/DCD:Mary.Schanning/Amy.Turim:mls
05/09/16

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