



Legislation Text

File #: 140455, Version: 1

140455

SUBSTITUTE 1

111405, 121673

ALD. KOVAC AND COGGS

Substitute resolution authorizing the Second Amendment to the East Library Purchase, Sale and Development Agreement with HSI East Library Residential, LLC for the East Library redevelopment project at 1910 East North Avenue, in the 3rd Aldermanic District.

This substitute resolution authorizes an amendment to the Purchase, Sale and Development Agreement and First Amendment for the City-owned East Library to extend the performance and conveyance deadline for the developer to convey the library condominium to the City and to modify other related developer obligations.

Whereas, The Common Council authorized agreements with HSI East Library Residential, LLC ("HSI") for the sale and redevelopment of the City's East Library at 1910 East North Avenue by adoption of File No. 111405, which authorized the East Library Purchase, Sale and Development Agreement, and of File No. 121673, which authorized the First Amendment to said Agreement (collectively "Development Agreement"); and

Whereas, On May 23, 2013, the City of Milwaukee ("City") conveyed the East Library to HSI ("First Closing") and, after relocation of the East Library to its temporary location, HSI commenced construction on The Standard at the East Library, a mixed-use building that will include a new East Library as a condominium unit; and

Whereas, The Development Agreement specified that within nine months of the First Closing, or February 23, 2014, HSI would substantially complete construction of library shell and would convey the condominium unit to the City ("Second Closing"); and

Whereas, HSI notified the Milwaukee Public Library ("MPL") that construction was delayed in part due to extreme winter weather conditions and requested an extension of its performance deadline and of the date for the Second Closing; and

Whereas, Because timely completion of the library shell was essential to allow MPL to meet its obligations for architectural and construction contracts, HSI permitted MPL access to the library shell, in advance of the Second Closing, to begin the interior construction; and

Whereas, MPL and HSI have negotiated a Second Amendment to the Development Agreement that establishes a new deadline for completion of the library shell, compensates MPL for additional design costs, provides penalties in the event HSI fails to convey the library condominium prior to the new deadline, obligates HSI to continue rent payments for temporary East Library, clarifies HSI's responsibility for landscaping, paving and interior plumbing and addresses liability for MPL's fireplace vent; and

Whereas, All other terms and conditions of the Development Agreement remain in full force and effect; and

Whereas, The MPL Board of Trustees has approved the Second Amendment, a copy of which is attached to this Common Council File, and has requested approval by the Common Council; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Second Amendment to

the East Library Purchase, Sale and Development Agreement with HSI East Library Residential, LLC for the City-owned East Library at 1910 East North Avenue is approved; and, be it

Further Resolved, That the Library Director and Commissioner of DCD, or designee, are authorized to execute the Second Amendment to the East Library Purchase, Sale and Development Agreement with HSI East Library Residential, LLC and to close the acquisition of the library condominium unit according to the terms of the Development Agreement as amended.

DCD:Paula.Kiely:emm

07/02/14