



Legislation Text

File #: 180497, Version: 1

180497

SUBSTITUTE 1

170917

ALD. LEWIS

Substitute resolution approving revised terms for the Good Hope Library development project, in the 9th Aldermanic District.

This substitute resolution approves revised terms for the Good Hope Library development project according to the terms and conditions of the Good Hope Library Purchase, Sale, and Development Agreement and other project documents.

Whereas, The Common Council adopted File No. 170917 on October 17, 2017, that authorized the Commissioner of City Development, or designee, to execute the Purchase, Sale, and Development Agreement ("Agreement") with Mill Road Library Redevelopment, LLC ("Developer"), or assigns, to close the transaction according to the terms of the Land Disposition Report and the Term Sheet, copies of which were attached to that Common Council File, and that authorized the City to acquire title to the Good Hope Library condominium unit ("Library Unit") from the Developer upon creation of the future condominium at 7717 West Good Hope Road (the "Property"); and

Whereas, The City of Milwaukee ("City"), Milwaukee Public Library ("MPL"), and Developer have been unable to close the transaction because of timing delays and significant changes to the terms that had been negotiated and agreed to as of the adoption of File No. 170917; and

Whereas, The delays in closing has resulted in the expiration of the site control for the Property previously granted to the Developer by the City; and

Whereas, The City Attorney's Office, with input from MPL and Department of City Development ("DCD") staff, has negotiated revised terms with the Developer relating to (a) a new construction timeframe that requires Developer to complete the Library Unit by April 15, 2019 rather than January 15, 2019 and complete the apartment condominium unit ("Developer Unit") by August 15, 2019 rather than March 15, 2019; (b) a use restriction on the Library Unit coupled with an option to purchase granted to the owner of the Developer Unit should MPL and the City ever determine in the future that the Library Unit is surplus property with waiver of such option releasing the use restriction on the Library Unit and allowing for the City to convey the Library Unit; (c) an extension of site control to the Developer, which expired March 15, 2018, because the parties were unable to close by such date; and (d) City's entry into a Subordination and Intercreditor Agreement with the Developer and Developer's lenders for the \$2.35M loan the City is making to the Developer for the construction of the Library Unit; and

Whereas, The City Attorney's Office, with input from MPL and DCD staff, has negotiated and drafted the project documents to outline the revised terms of the project; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Commissioner of DCD, or designee, is authorized to extend site control for the Property to the Developer, or assigns, through July 31, 2018;

Further Resolved, That the following project documents are approved: the Good Hope Library Purchase, Sale, and Development Agreement; Subordination and Intercreditor Agreement; Declaration of Condominium; Bylaws of the Fortitude Condominium Owners Association, Inc.; Human

Resources Agreement; Payment in Lieu of Taxes Agreement (copies of which are attached to this Common Council File); and any other documents necessary to complete the project in accordance with this Resolution;

Further Resolved, That the appropriate City officers are authorized to execute the project documents and to close the transaction according to the terms of the project documents, including execution of any needed easements, releases of deed restrictions, or other documents necessary to carry out the project as described in the project documents.

DCD:Rachel S. Kennedy
07/10/18
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