

RESOLUTION NO. _____

**AUTHORIZATION TO SELL 643 FINZER STREET TO STEAM EXCHANGE
COMMUNITY ARTS CENTER, INC.**

Item No. 5F

WHEREAS, the Louisville Metro Housing Authority (LMHA) purchased 643 Finzer Street, a former liquor store in the Smoketown neighborhood next to the revitalized HOPE VI Sheppard Square community, in May 2014 for approximately \$39,000 as part of an acquisition package that included six parcels; and

WHEREAS, in January 2015, LMHA subsequently leased the property to Steam Exchange Community Arts Center, LLC for the creation of a studio where the group could provide free after school and summer programming, including art classes supplemented by STEM (Science, Technology, Engineering and Math) content, for youth living at Sheppard Square and within the broader Smoketown neighborhood; and

WHEREAS, in February of 2019, Steam Exchange expressed interest in purchasing the property, but was unable to raise LMHA's asking price at that time of \$39,000, which was based on the appraised value, adjusted by Steam Exchange's investment in repairs and improvements when they renovated the building; and

WHEREAS, on November 16, 2023, Steam Exchange Community Arts Center, Inc. which became a non-profit 501(c)3 in July 2021, reached out to LMHA again to express interest in purchasing the property; and

WHEREAS, LMHA staff met with Steam Exchange on November 27, 2023, and based on the appraised value, along with consideration of the value of improvements, proposed a negotiated sale for \$39,000 - the amount of LMHA's initial investment and the parcel's current Property Valuation Assessment, pending approval from LMHA's Board of Commissioners.

RESOLUTION NO. _____

**AUTHORIZATION TO SELL 643 FINZER STREET TO STEAM EXCHANGE
COMMUNITY ARTS CENTER, INC.**

Item No. 5F

WHEREAS, Disposition of this property was included in the Louisville Metro Housing Authority FY2024 Moving to Work Plan, which was approved by the Department of Housing and Urban Renewal in June 2023.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS, that the Executive Director and Contracting Officer, is hereby authorized to execute documents necessary to sell 643 Finzer to the Steam Exchange Community Arts Center, Inc. for the price of \$39,000.00.

RESOLUTION BACKGROUND STATEMENT

AUTHORIZATION TO SELL 643 FINZER STREET TO STEAM EXCHANGE COMMUNITY ARTS CENTER, INC

Item No. 5F

I. STATEMENT OF FACTS:

In May 2014, the Louisville Metro Housing Authority (LMHA) purchased 643 Finzer Street, a former liquor store in severe disrepair located next to the revitalized HOPE VI Sheppard Square community. The cost of the property, which was part of the acquisition package that included six parcels, was approximately \$39,000. LMHA subsequently leased the property to Steam Exchange, LLC in January 2015 for the creation of a Community Arts Center that would provide programming for youth in the Smoketown neighborhood.

The mission of Steam Exchange, which became a nonprofit 501(c)3 in July 2021, is to facilitate passion-driven learning experiences. They use the arts to teach concepts in science, technology, engineering, and mathematics, hence the name “STEAM,” and work toward greater equity in the community by amplifying voice, showcasing creativity and leadership, and co-creating collaborative, public art with youth of color and low-income youth. Steam Exchange’s goal is to support Smoketown’s rich history and current residents’ positive sense of neighborhood identity and values. Dialogue with people who live, learn, work or worship in Smoketown directly shapes workshop content and community initiatives.

The Steam Exchange currently provides free, safe, structured after-school programming Monday through Friday, and six weeks of summer art programming every year. In 2023 alone, Steam Exchange has worked with 32 Smoketown youth weekly, including 22 who reside within Sheppard Square. They have also taught over 300 youth, the majority who are in households participating in LMHA’s Housing Choice Voucher program, through classes with partner organizations this past year. In total, over 1,000 youth have been served since the Steam Exchange’s Community Arts Center first opened, including several youths who have been participants from the start. The Steam Exchange has also employed five youth interns from the neighborhood.

Over the past eight years, the Steam Exchange, along with their program participants and families, have also worked to completely renovate the building. Repairs and improvements, valued at approximately \$65,000, include but are not limited to a new roof, a new heating, ventilation and air conditioning system, new plumbing and electrical wiring, interior and exterior paint, masonry repairs, decorative murals, and the addition of a kitchenette, which is also used for

RESOLUTION BACKGROUND STATEMENT

AUTHORIZATION TO SELL 643 FINZER STREET TO STEAM EXCHANGE COMMUNITY ARTS CENTER, INC

Item No. 5F

I. STATEMENT OF FACTS (cont'd):

cooking classes. The group is now recognized as a positive presence in the neighborhood, and an anchor institution on the block.

In an effort to establish a permanent home with the Smoketown neighborhood, The Steam Exchange first expressed interest in purchasing 643 Finzer Street in February 2019. The appraised value at that time (\$68,000), was adjusted to reflect a portion of the Steam Exchange's investments, and arrive at the negotiated sale price of \$39,000, which also recoups LMHA's initial investment. While Steam Exchange was not able to initially raise the funds needed to purchase the property, they recently reached their fundraising goals, and contacted LMHA on November 17, 2023, to express their desire to move forward.

LMHA staff met with Steam Exchange, LLC on November 27, 2023, and, pending LMHA Board approval, is again proposing a negotiated sale price of \$39,000. This price also concurs with the value currently reported for the property on the Jefferson County Property Valuation Assessment website.

II. ALTERNATIVES:

- A. Approve selling the property to Steam Exchange Community Arts Center, Inc. for \$39,000.00.
- B. Do not sell the property and pursue other options.

III. RECOMMENDATION:

Staff recommends Alternative "A."

IV. JUSTIFICATION:

- Steam Exchange Community Arts Center, Inc is providing valuable afterschool and summer programming opportunities to youth within the community, free of charge.

RESOLUTION BACKGROUND STATEMENT

**AUTHORIZATION TO SELL 643 FINZER STREET TO STEAM EXCHANGE
COMMUNITY ARTS CENTER, INC**

Item No. 5F

IV. JUSTIFICATION (cont'd):

- Steam Exchange, LLC serves youth living at Sheppard Square and the broader Smoketown neighborhood, as well as Meyzeek Middle School students and children within households participating in LMHA Housing Choice Voucher program.
- Steam Exchange is committed to providing paid internship opportunities for neighborhood youth.
- Selling the building will release LMHA from any future responsibilities or expenses associated with the site.
- Steam Exchange staff, participants and their families have made substantial improvements to the property, which is now viewed as a positive neighborhood asset and anchor institution on the block.

V. PROCUREMENT CERTIFICATION:

This sale is in compliance with Louisville Metro Housing Authority procurement policies.

Steve Webb, Purchasing Agent

Date

Prepared & submitted by:

Tonya M. Wise, Capital Improvements Planner
Kathleen O'Neil, Director of Strategic Initiatives
December 19, 2023