

EXCLUSIVE: Politically Connected “Developer” Given Risky \$9 Million Milwaukee Loan Is A Longtime Deadbeat With A String Of Debt Collection Lawsuits, Many From The City Itself
By Mark Belling, WISN-AM

Kalan Haywood, the developer being loaned \$9 million by the City of Milwaukee for a hotel project the city comptroller calls “extremely risky” is a longtime debtor with a string of lawsuits against him for non-payment of bills, dating back many years and many from the City of Milwaukee itself.

A simple review of Haywood’s online court record shows 17 separate court filings against him, all for collection of some form of debt or non-payment of taxes. Some of the creditors are real estate ventures, others are banks or credit unions and several are from the City itself. Haywood has been sued by We Energies or its predecessor companies for non-payment of utility bills as recently as three years ago. Haywood has numerous judgments against him, littered over most of this century.

Haywood was sued two years ago by the city itself which obtained a \$4000 judgment and order to garnish his wages. Haywood also shows two criminal convictions dating back to the 1990s.

Haywood has somehow convinced the Milwaukee Common Council and Mayor Tom Barrett to make him two separate loans totaling \$9 million to develop what Haywood claims will be a boutique hotel at 21st and North in the heart of Milwaukee’s inner city. The supposedly high end hotel would anchor a development called One MKE Plaza. The total cost of the venture, Haywood claims, is about \$36 million.

Milwaukee City Comptroller Martin Matson, in a report to the city, called the original \$4 million city loan extremely risky and said there was a strong possibility of default leaving taxpayers holding the bag. Despite this, a common council committee this week voted to more than double down and give Haywood an additional \$5 million. A report from the comptroller estimated the hotel would attract only 182 special events (like weddings, conferences or meetings) a year. Haywood has said he hopes the hotel, located in the abandoned Sears building, could draw nightly room rates of \$119. But with only 80 rooms in the hotel, even if the hotel is sold out every single night (preposterously unlikely) it would gross only \$55,000 a week or a little over \$2.6 million a year before any expenses, including payroll, were made.

The project would not be completed until 2022 so it wouldn’t get any bump from next year’s Democratic National Convention. There hasn’t been a single major new hotel project in the inner city of Milwaukee for decades.

What Haywood lacks in collateral and credible financial background, he makes up in political connections. His son, also named Kalan Haywood, is a Democratic member of the Wisconsin State Assembly and the youngest person ever elected to the legislature. His father’s political connections helped him win the seat. The senior Haywood (the developer) is very tight with key African-Americans including Alderman Russell Stamper, Common Council President Ashanti Hamilton and others.

Milwaukee political sources say Barrett was urged to back the deal by city officials angry about the over \$100 million be plunked into the downtown streetcar system.

Alderman Bob Bauman this week referred to the city comptroller report projecting the measly 182 events at the hotel as “devastating” but backed the \$9 million loan anyway.

The project is strongly backed by Milwaukee City Development Director Rocky Marcoux who said the city's investment is safe because if the project flops, the city can collect its money from the property taxes. The assertion seems comically absurd. If the project defaults, the developer wouldn't have money to pay the property taxes and the valuation on an empty building on North Avenue would be miniscule anyway.

Even if the hotel never opens, there is a lot of potential money to be made by people on the receiving end of the city loans. Contractors will be hired and laborers will be paid at whatever the contractor and developer decide to pay them. Lawyers will no doubt be involved. The venture established by Haywood will also potentially pay him and others salaries.

A link to Haywood's prodigious online court record is here:

<https://wcca.wicourts.gov/caseSearchResults.html>

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