

LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE
GH 10-14-2020, CAO 269941

DATE
October 15, 2020

RESPONSIBLE STAFF
Rhonda Szallai, Real Estate Specialist, Department of City Development

PARCEL ADDRESS AND DESCRIPTION: SALES EFFORTS

The former Forest Home Library at 1432 West Forest Home Avenue ("Property") is a one-story building, with about 14,500 square feet. The Property contains a surface parking lot, with parking for about 30 cars. The Property was declared surplus by the Milwaukee Public Library ("MPL") at its meeting on September 26, 2017 and it directed the City of Milwaukee ("City") to offer the property for sale as of November 1, 2017. The City did through a Request for Proposals that ended August 30, 2018. The Common Council of the City of Milwaukee ("Common Council") approved file No. 180907 on November 18, 2018 that authorized a sale to Voces De La Frontera, Inc. ("Voces"). That sale failed to materialize. The Property was relisted on March 29, 2019 and in May 2019 the City received a Proposal from HK Gill Properties LLC. The sale file was approved by MPL but that sale also failed to materialize. The Property was relisted November 4, 2019 and two Proposals were received and evaluated.



BUYER

I-Forest LLC ("Buyer") proposes to purchase the Property as an investor, demolish the existing building, and build a new building to suit its long-term sole tenant.

PROJECT DESCRIPTION

Buyer, after purchase, will raze the existing building. Buyer will construct a new 18,000 square foot one-story building to suit its long-term medical-provider tenant ("Tenant"). The Tenant will enter into a long-term lease for the entire Property and will focus on health and wellness of children and young adults in the surrounding area. The estimated cost to purchase and renovate the Property is \$5.4M.

Buyer understands the proposed project may require certain City approvals in addition to the approval of the Land Disposition Report.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$450,000. Buyer will enter a Purchase and Sale Agreement. The closing is contingent upon Buyer obtaining necessary approvals, including proof of financing, and Department of City Development ("DCD") approval of Buyer's plans and specifications (building, site plan, and landscaping), and DCD approval of Buyer's lease with Tenant. The sales proceeds less sale and closing expenses will be credited to the appropriate Library Fund per Wis. Stat. 43.58 (1).

Sales expenses include: a broker commission of 5 percent; a disposition fee to the Redevelopment Authority of the City of Milwaukee of 5 percent; Property expenses, including board-up, security, and water and electricity costs; and cost of the original appraisal report dated April 18, 2018.

The conveyance will be on an “as is, where is” basis, with no warranties or representations, express or implied, and with all faults and defects, including all environmental and geotechnical conditions, known or unknown. Such provisions shall bar all tort, warranty and misrepresentation claims, including any action based on non-disclosure.

The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status.

At closing, Buyer must pay a Performance Deposit of \$10,000 to assure timely completion of this Project.

CONCEPTUAL RENDERING

