

LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE
July 10, 2020

RESPONSIBLE STAFF
Matthew Haessly, Real Estate Specialist, Department of City Development

PARCEL ADDRESS AND DESCRIPTION
1722 West Lloyd Street (the "City Parcel"): A 2,560 square foot vacant lot. The City Parcel was acquired through property-tax foreclosure in November 2002.

1726 West Lloyd Street (the "DNA Parcel"): A 5,120 square foot parcel with a one story commercial building built in 1952. The DNA Parcel has historically operated as a blacksmith/metal shop, used car dealer, auto repair shop and car wash.

The City Parcel and DNA Parcel (together the "Properties") are located within the Triangle North Neighborhood.



BUYER AND PROJECT DESCRIPTION
Adams Garden Park LLC ("AGP"), or its assignee, is the Buyer. AGP's managing members are Sharon Adams and Larry Adams, each of which are 50 percent owners of the AGP entity. The following statement was provided by Sharon Adams:

"In 2000, Larry and Sharon with neighbors founded Walnut Way Conservation Corp. to create and sustain economically diverse neighborhoods. Walnut Way grew into a community campus where neighbors, organizations and entrepreneurs come to learn and engage in urban agriculture, environmental restoration and stewardship.

In 2015, Sharon and Larry retired from Walnut Way. They formed H | N Development to inspire possibilities for the common good through real estate development. The Adams' use real estate as a method for equitable transformation on historically disinvested commercial corridors.

In January 2019, they completed the Adams Garden Project located on Fond du Lac Avenue. It is a cluster of cultivated lots and 3,875 square feet renovated office building with storm water and water purification features on the grounds. The project is fully leased to environmental organizations and provides a site for environmental education and demonstrations.

Larry is a veteran who served as a Marine. Larry and Sharon have received several recognitions, including honorary doctorates from the Medical College of Wisconsin and the LISC People's Choice Award. They live in the Lindsay Heights neighborhood in Milwaukee, Wisconsin. They are parents, grandparents to their biological children and many young folks."

AGP intends to use the City Parcel, and if the City of Milwaukee ("City") can successfully foreclose and then convey the DNA Parcel to AGP, as an urban garden center providing commercial and retail plants and plant supplies.

PURCHASE TERMS AND CONDITIONS

The purchase price for the City Parcel is \$2,500 and for the DNA Parcel is \$1,000. The estimated renovation budget for the City Parcel is \$10,000 and for the DNA Parcel is \$80,000. If the City is unable to obtain foreclosure judgment for the DNA Parcel, AGP still desires to acquire and improve the City Parcel.

The conveyance of the Properties will be on an "as is, where is" basis, including all environmental conditions, if any. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status. If the City successfully obtains foreclosure judgment on the DNA Parcel, the deed from the City to AGP will also contain a joinder deed restriction requiring the City Parcel and the DNA Parcel to be joined.

The Buyer understands that the proposed project may require certain City approvals in addition to the approval of the Land Disposition Report. AGP will renovate the Properties and comply with permits and landscaping requirements, including MCO 295-405 landscaping. Closing on the DNA Parcel is contingent on the City being able to successfully tax foreclose against it.

Due Diligence Checklist
Addresses: 1722 and 1726 West Lloyd Street

<p>The Commissioner's assessment of the market value of the properties.</p>	<p>1722 West Lloyd Street ("City Parcel") is a vacant lot acquired by the City through property-tax foreclosure in November 2002. 1726 West Lloyd Street ("DNA Parcel") is an improved, privately-owned property that is in the City's 2020 No. 2 property-tax foreclosure file. The City Parcel and DNA Parcel together are called the "Properties." The Properties will be sold "as is, where is," without any guarantees. The Properties are zoned LB2 or Local Business. The purchase price for the Properties is \$3,500 which represent the value of the vacant lot and privately owned brownfield property.</p>
<p>Full description of the development project.</p>	<p>Adams Garden Park LLC, (the "Buyer") or assignee, intends to use the City Parcel, and if the City can successfully foreclose and then convey the DNA Parcel to AGP, as an urban garden center providing commercial and retail plants and plant supplies.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>The Buyer will renovate the Properties and comply with permits and landscaping requirements, including MCO 295-405 landscaping.</p>
<p>Developer's development project history.</p>	<p>The Buyers are Larry Adams and Sharon Adams. The following statement is from Sharon Adams: "In 2000, Larry and Sharon with neighbors founded Walnut Way Conservation Corp. to create and sustain economically diverse neighborhoods. Walnut Way grew into a community campus where neighbors, organizations and entrepreneurs come to learn and engage in urban agriculture, environmental restoration and stewardship.</p> <p>In 2015, Sharon and Larry retired from Walnut Way. They formed H N Development to inspire possibilities for the common good through real estate development. The Adams use real estate as a method for equitable transformation on historically disinvested commercial corridors.</p> <p>In January 2019, they completed the Adams Garden Project located on Fond du Lac Ave. It is a cluster of cultivated lots and 3,875 square feet renovated office building with storm water and water purification features on the grounds. The project is fully leased to environmental organizations and provides a site for environmental education and demonstrations.</p> <p>Larry is a veteran who served as a Marine. Larry and Sharon have received several recognitions, including honorary doctorates from the Medical College of Wisconsin and the LISC People's Choice Award. They live in the Lindsay Heights neighborhood in Milwaukee, Wisconsin. They are parents, grandparents to their biological children and many young folks."</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>Funding for the improvements will be mostly self-financed, applicable commercial corridor grants and Buyer's sweat equity.</p>

Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	The Buyer desires to acquire the Properties. If the City is unable to obtain foreclosure judgment on the DNA Parcel, the Buyer still desires to acquire the City Parcel.
Tax consequences of the project for the City.	The Buyer anticipates investing approximately \$90,000 in the Properties. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status whether the Buyer purchases one parcel or the Properties.