

**LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE

September 29, 2016

RESPONSIBLE STAFF

Rhonda Szallai, Real Estate Specialist, DCD

PARCEL ADDRESS AND DESCRIPTION

4116 West Silver Spring Drive (the "Property"): The Property was formerly Milwaukee Public Schools Carleton School built in 1927, with an approximately 53,000 SF building on a 3.5-acre parcel. Additions were built in 1927, 1932, 1936, 1940 and 1970. The Property has been vacant since 2005 and was declared surplus in 2012.



BUYER

Rocketship Education Inc. ("Buyer") is a national, non-profit charter school operator, with schools in the San Francisco Bay area, Nashville, Washington D.C. and Milwaukee. Rocketship has operated a Milwaukee school since 2007 at 2933 West Cleveland Avenue.

PROJECT DESCRIPTION

The Buyer proposes to renovate the existing building and site to accommodate approximately 600 students in grades K4-5. This site will be the second school operated by Rocketship in Milwaukee.

The Property is zoned RS6 and a school is a permitted use. The Buyer understands that the proposed project may require certain City approvals in addition to the approval of this Land Disposition Report. Closing of the sale is contingent upon the Buyer obtaining all necessary approvals, financing and DCD approval of the final building elevations and landscaping plan.

The estimated project cost for the purchase and renovation is \$4,500,000.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$120,000, based on the appraised value as of March 23, 2016 of \$220,000, less a deduction of \$100,000 for asbestos remediation. The asbestos remediation is estimated at \$300,000. The conveyance will be on an "as is, where is" basis, including all environmental and geotechnical conditions, if any.

Rocketship and the City of Milwaukee will enter into a Purchase and Sale Agreement that requires Rocketship to apply for a charter for the Carleton campus by February 28, 2017 and provides for sale of the Property after the charter is granted.

At closing, sale expenses (appraisal cost) will be subtracted from the sale proceeds. The remaining sale proceeds shall be deposited in the Milwaukee Public Schools Operations Fund.

The deed of conveyance will contain a Reversionary Clause consistent with Section 119.61(4)(c)(5)(b), Wisconsin Statutes, requiring that the Buyer complete the renovations and occupy the Property within 24 months of closing.

An existing lease that allows hoop houses on parking lots on the north portion of the Property will be terminated prior to closing.