

**LAND DISPOSITION REPORT AND DUE DILIGENCE CHECKLIST
REDEVELOPMENT AUTHORITY
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE

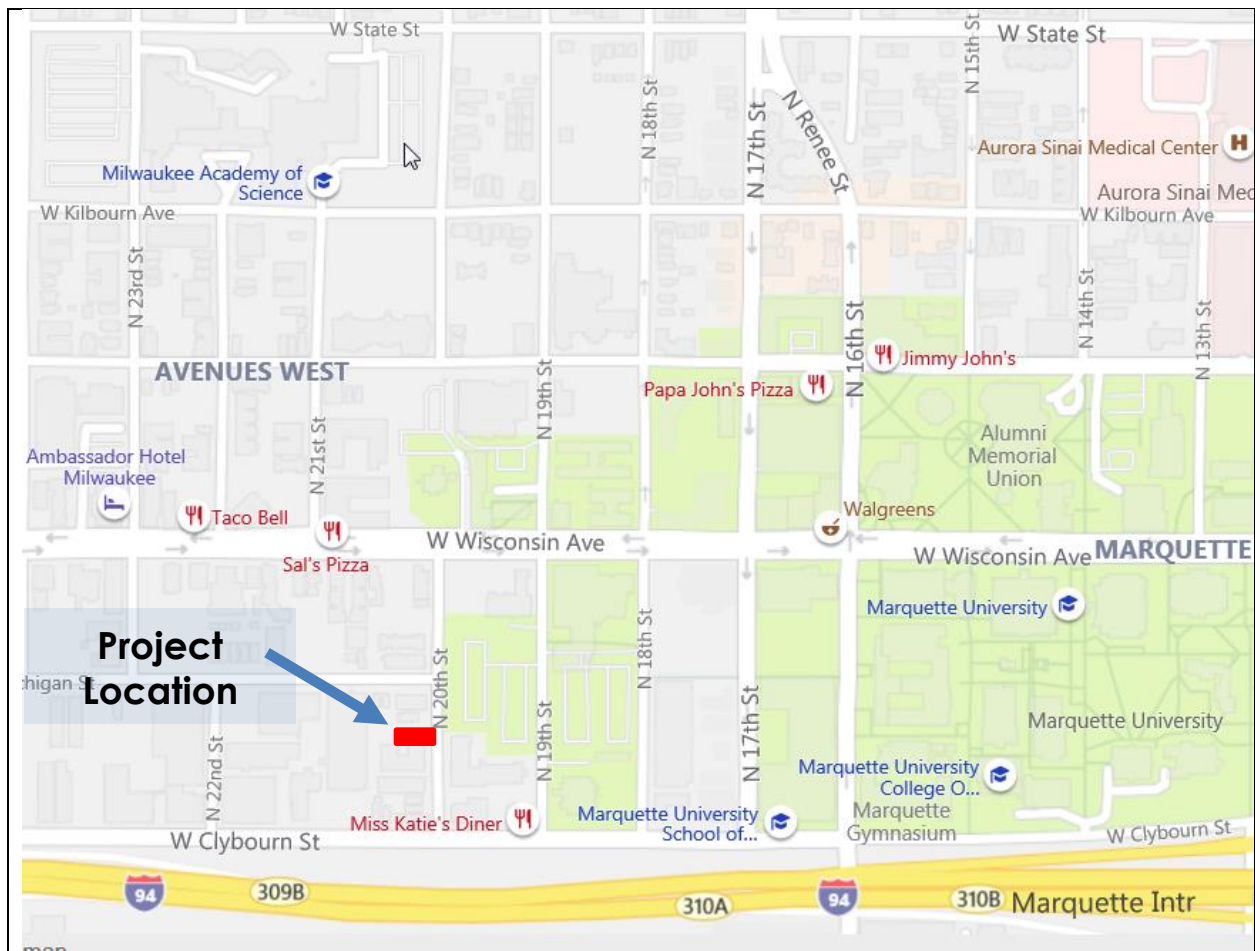
January 21, 2020 – Common Council
February 20, 2020 – Redevelopment Authority

RESPONSIBLE STAFF

Yves LaPierre, Real Estate Analyst, Department of City Development

PROJECT AREA


Marquette University – Campus Circle. Lot was acquired on 11/20/1998 by the Redevelopment Authority of the City of Milwaukee (“RACM”) via Warranty Deed.



PARCEL ADDRESS & DESCRIPTION

541 North 20th Street. Development site consists of a vacant RACM owned parcel (the “Property”) of 9,900 square feet, zoned RM7, Residential multi-family district.



RACM-Owned Vacant Lot 

DEVELOPER

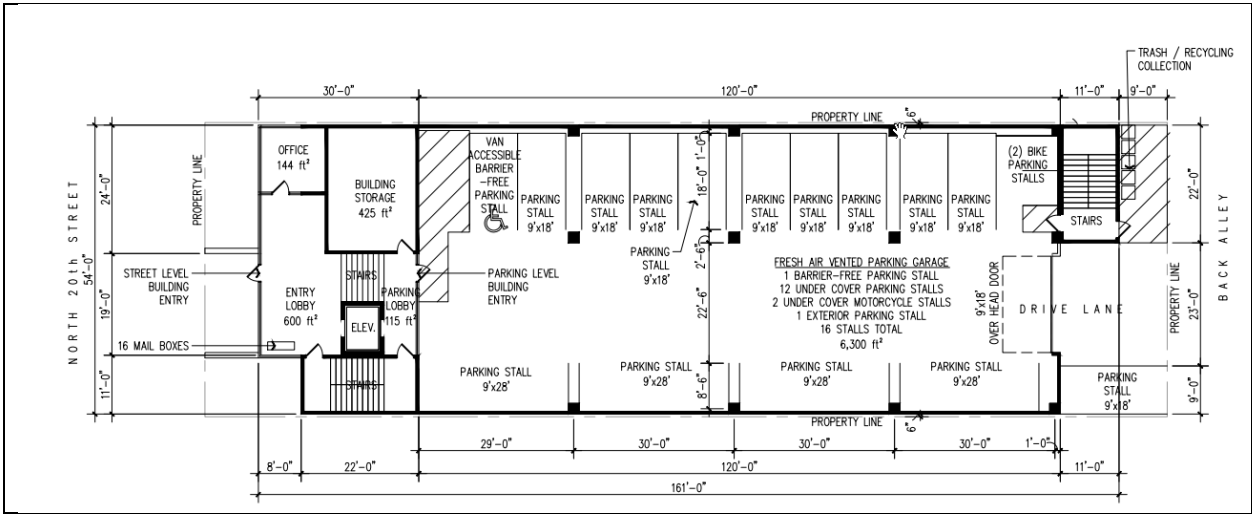
The Developer is the Herro Company Inc. Herro has developed single-family home subdivisions, senior care facilities and commercial office buildings in the Milwaukee area.

PROJECT DESCRIPTION

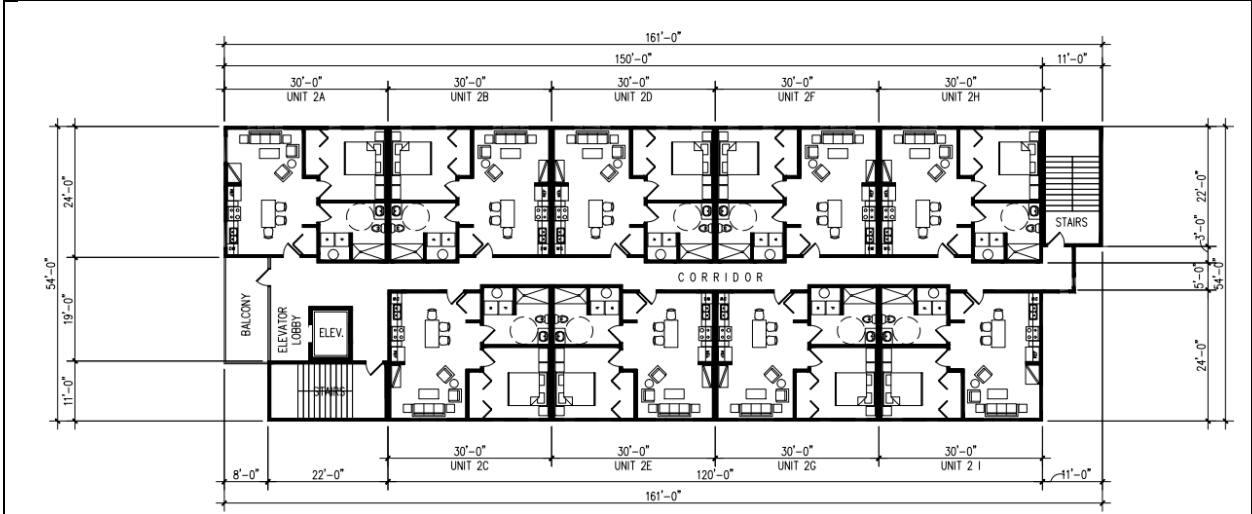
Redeveloper intends to complete construction of one multi-family residential building with 27 one bedroom units and associated parking and landscaping. The estimated total development cost for the project is approximately \$3,000,000.



Front Elevation – 541 North 20th Street



Site Plan



Floorplans, Floor 2 to 4,

RACM shall convey the Property to Redeveloper at closing via quit claim deeds in an "as is, where is" condition, with no warranties or representations, express or implied, and with all faults and defects, including environmental and geotechnical conditions, known or unknown. Such provisions shall bar all tort, warranty, and misrepresentation claims-including any action based on non-disclosure. No additional environmental investigation shall be conducted by RACM, but RACM will provide results of any environmental investigations previously conducted on the Properties. Redeveloper shall be responsible for all closing costs.

Deed will contain a restriction prohibiting the Redeveloper or its successors or assignees from applying to the City for tax-exempt property status. At each closing, the sale proceeds, less all sale and marketing expenses to the RACM General Fund. At closing, Redeveloper shall pay a performance deposit of \$5,000 to RACM, to be refunded if Redeveloper meets the respective occupancy certificate date.

RACM shall have a Retained Reversionary Interest in the Property to guarantee Redeveloper's performance. RACM's reversionary right is a material provision to the conveyances of the Properties, without which, RACM would not have entered into this transaction.

DUE DILIGENCE CHECKLIST
ADDRESS: 541 NORTH 20TH STREET

Market value of the property.	The lot totals 9,900 square feet. The property is being sold "as is, where is," without any guarantees. Development of site will create high value housing at a long vacant site. Sales price is \$25,000.00
Full description of the development project.	Please see Land Disposition Report for full details.
Complete site, operations and scope of work for development.	Please see the Land Disposition Report for details.
Developer's project history.	Development team has extensive experience developing properties in Milwaukee area such as: <ul style="list-style-type: none"> • Single-Family Home Subdivisions • Senior Care Facilities • Commercial Buildings
Capital structure of the project, including sources, terms and rights for all project funding.	Development is funded with private equity and financing.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	Department of City Development staff determined that there is low risk in selling the vacant lot to the Herro Company Inc. due to developer's experience and success in developing property in the Milwaukee area.
Tax consequences of the project for the City.	Total development estimated at \$1,200,000.00 and will be fully taxable. Former vacant property will be added to City tax rolls.