

# LAND DISPOSITION REPORT AND DUE DILIGENCE CHECKLIST COMMON COUNCIL OF THE CITY OF MILWAUKEE

## DATE

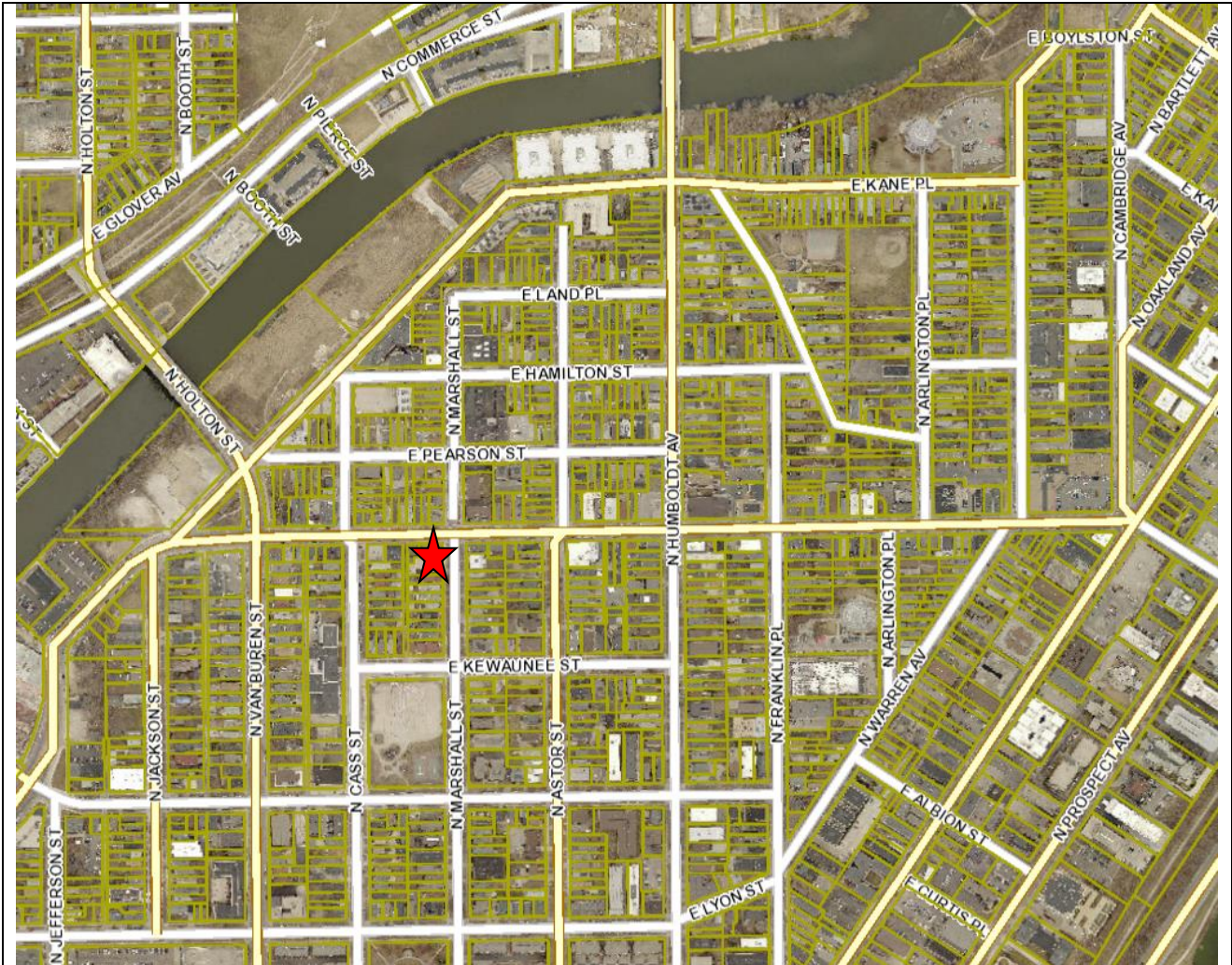
November 7, 2017

## RESPONSIBLE STAFF

Yves LaPierre, Program Manager, Department of City Development

## PROPERTY

1697 North Marshall Street: A City-owned vacant lot acquired through tax foreclosure on August 16, 2013. The lot totals 3,480 square feet and is located in the Lower East Side neighborhood on the Brady Street commercial strip, which is a local Historic District.



Development site location on Brady Street

## BUYER

SG Property Development, LLC ("SG"), headed by Scott Genke. SG was chosen through a competitive RFP process. SG has numerous developments in Milwaukee that involve new construction and historic renovations. SG also manages a portfolio of residential properties in the Milwaukee area.



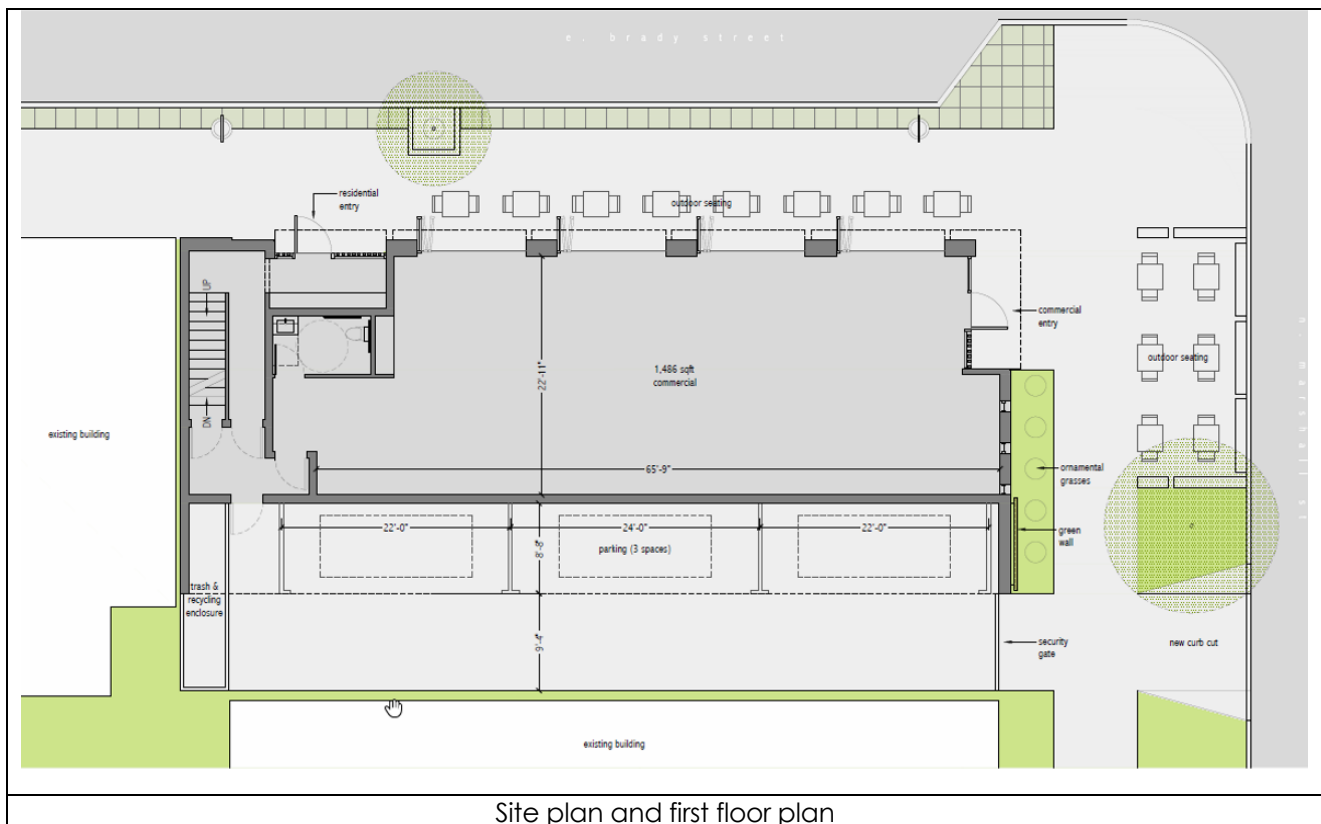
Concept illustration, view from Northeast



Front elevation on Brady Street



East elevation on Marshall Street



Site plan and first floor plan

### PROPOSED DEVELOPMENT

Development of a vacant lot with a three-story, mixed-use building with ground floor commercial space, three apartments above and associated parking and landscaping. Features to include geothermal, solar, green roof and pursuit of LEED Gold certification. Project costs are estimated at \$980,000. The project will be financed with the Buyer's equity and private financing. Johnsen Schmalig Architects are the designers of the project.

### OFFER TERMS AND CONDITIONS

The purchase price is \$105,000. A Purchase and Sale Agreement will be executed with SG to outline performance obligations and assure satisfactory compliance through reversion of title power. A \$5,000 performance deposit will be required. Conveyance will be by quit claim deed on an "as is, where is" basis, with a deed restriction prohibiting tax-exempt status. A Certificate of Code Compliance must be provided within eighteen months following the closing as evidence of satisfactory redevelopment and conformance with City of Milwaukee code. The sale proceeds, less sale and marketing expenses and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee, shall be credited to the Delinquent Tax Fund.

## DUE DILIGENCE CHECKLIST

ADDRESSES: 1697 NORTH MARSHALL STREET

Market value of the property.	City-owned vacant lot acquired through tax foreclosure in 2013. The lot totals 3,480 square feet. The property is being sold "as is, where is," without any guarantees. The \$105,000 sales price is based on assessment records and appraisal of comparable properties.
Full description of the development project.	Development of a three-story, mixed-use building with ground floor commercial and three apartments above along with associated parking and landscaping.
Complete site, operations and scope of work for development.	Please see the Land Disposition Report for details.
Developer's project history.	Scott Genke of SG Property Development has a track record of successful projects across Milwaukee that include new construction and historic renovations such as: <ul style="list-style-type: none"><li>• King Lofts – 2534 South Kinnickinnic Avenue</li><li>• Schroeder Building – 508 West Washington Street</li><li>• Walderon Block – 2505 South Howell Avenue</li></ul>
Capital structure of the project, including sources, terms and rights for all project funding.	Project will be funded with the developer's equity and private 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 property to SG, based on the experience of its development team and the success of similar projects in Milwaukee.
Tax consequences of the project for the City.	The deed of conveyance will contain a restriction prohibiting the Buyer, its assignee or its successors from applying to the City for tax-exempt property status. Thus, formerly vacant, tax-exempt property will be returned to the property tax rolls.