

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

DATE

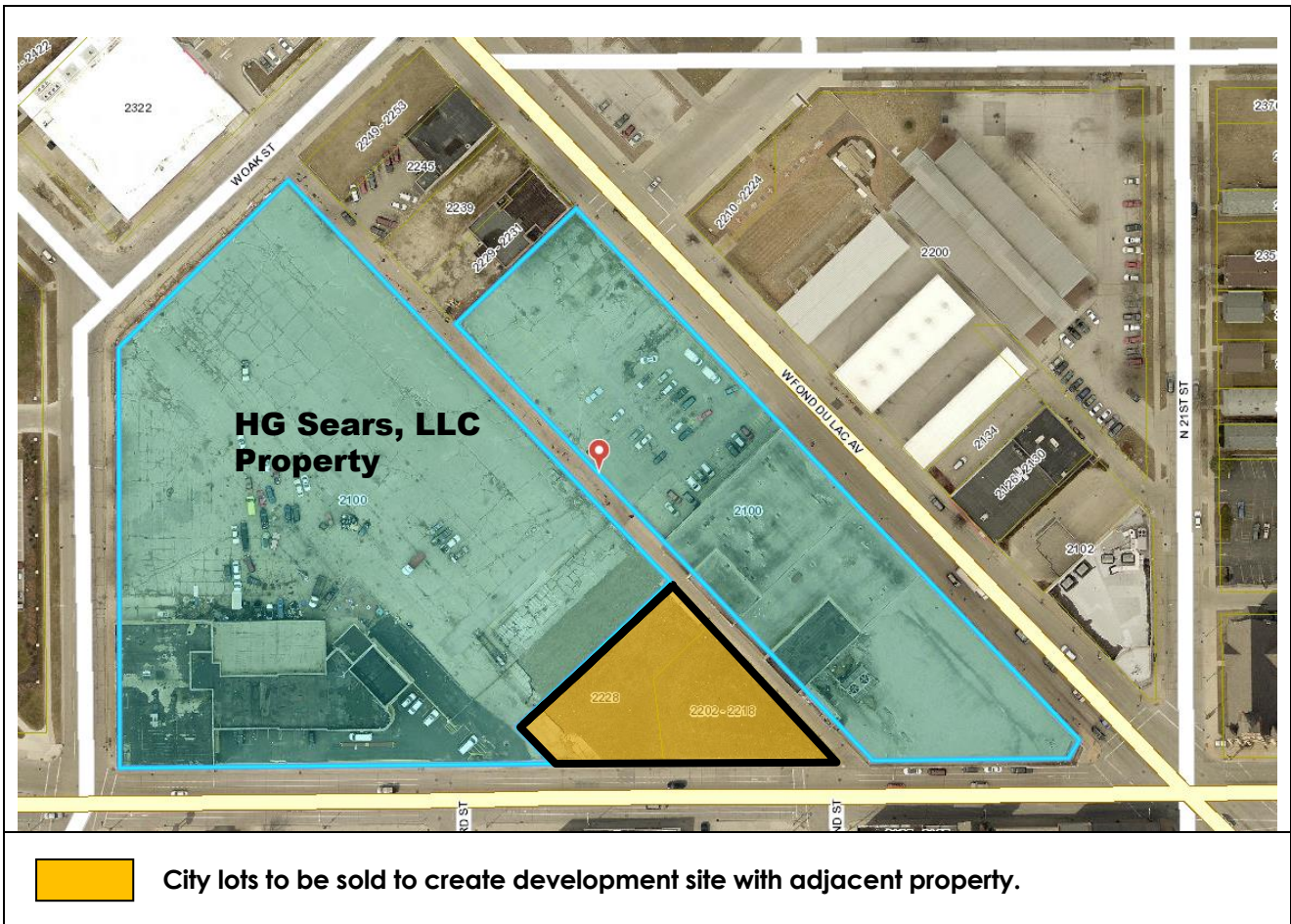
September 9, 2019

RESPONSIBLE STAFF

Yves LaPierre, Program Manager, Department of City Development

PROPERTY

2202-18 West North Avenue and 2228 West North Avenue: City-owned vacant lots acquired through tax foreclosure in 2010 and 2016, respectively. The lots total 25,906 square-feet, are Zoned LB2 and are located in the Park West neighborhood.





North Ave and Fondy Ave Intersection Elevation



Site View with Development of City Lots

BUYER

HG Sears, LLC, owned by Kalan Haywood of Vanguard Development, who will develop this site.

Haywood has developed numerous projects in Milwaukee.

PROPOSED DEVELOPMENT

The City property at 2202-18 West North Avenue and 2228 West North Avenue will be combined with buyer's adjacent property to create a development site for a hotel and convention center. Site will be fully landscaped with associated parking and pedestrian plaza.

OFFER TERMS AND CONDITIONS

The purchase price is \$1.00 per lot. A Purchase and Sale Agreement will be executed with HG Sears, LLC to outline performance obligations and assure satisfactory compliance through reversion of title power. Conveyance will be by quit claim deed on an "as is, where is" basis, with a deed restriction prohibiting tax-exempt status. The sale proceeds shall be credited to the Delinquent Tax Fund.

DUE DILIGENCE CHECKLIST**ADDRESSES: 2202-18 WEST NORTH AVENUE AND 2228 WEST NORTH AVENUE**

Market value of the property.	2202-18 West North Avenue and 2228 West North Avenue have been in City ownership for several years. Prior to City acquisition the properties were abandoned and blighting influences on the neighborhood. The property is being sold "as is, where is," without any guarantees. The sales price is based on similar sales of City-owned lots for catalytic commercial development.
Full description of the development project.	Development of a hotel and convention center 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.	Buyer has developed numerous projects in Milwaukee.
Capital structure of the project, including sources, terms and rights for all project funding.	See associated files for details on project funding structure.
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 HG Sears, LLC, based on the experience of the developer and committed funds.
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 properties will be returned to the property tax rolls.