

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

DATE

June 16th, 2023

RESPONSIBLE STAFF

Rhonda Szallai, Department of City Development

PARCEL ADDRESS AND DESCRIPTION

1547 West Mineral Street (the "Property"): A 1,488 square foot, single-family home on a 4,200 square foot lot. The City of Milwaukee ("City") acquired the property on March 24, 2021, through property tax foreclosure.



City Property

BUYER

Sixteenth Street Community Health Centers Inc. ("Buyer") or affiliated entity or its assignee. The Buyer contacted Alderman Perez and the Department of City Development ("DCD") real estate staff about the property regarding their need for additional staff and patient parking.

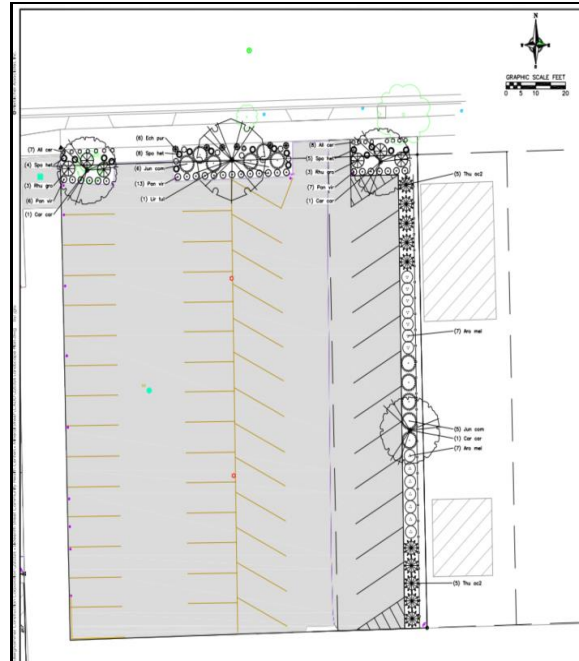
The Buyer owns the adjoining parking lot at 1559 West Mineral Street and is currently expanding 1032 South Cesar E. Chavez Drive and renovating at 2906 South 20th Street. They have a continued need for additional parking to provide access to services in their Health Center and decongest street parking.

PROJECT DESCRIPTION

The Buyer will pay all costs associated with the demolition, rezoning, certified survey map, construction and landscaping for the proposed parking lot. After rezoning and combining 1547 West Mineral Street with 1559 West Mineral Street, an expansion of the existing parking lot will require Board of Zoning Appeals ("BOZA") approval to expand the existing parking lot by 12 spaces. DCD's Design Review Team has approved the site, parking and landscaping plan.



Aerial view



Landscaping Plan

The Buyer estimates costs to demolish the house and construct the parking lot along with approved landscaping to be \$100,000.

The Buyer may need additional City approvals in addition to the approval of the Land Disposition Report. Closing is contingent upon the Buyers obtaining all necessary approvals, financing, and DCD approval of the final site, parking and landscaping plans.

PURCHASE TERMS AND CONDITIONS

The purchase price for 1547 West Mineral Street is \$30,000. The conveyance of the Property will be on an "as is, where is" basis. Conditions of sale included:

- Rezone 1547 West Mineral Street from RT4 to LB2
- Combine 1547 West Mineral Street with 1559 West Mineral Street by Certified Survey Map
- BOZA approval to expand parking on the combined lot at 1559 West Mineral Street
- Execute a Payment in Lieu of Taxes Agreement at closing ("PILOT") in the amount of \$600 to be paid annually to the City
- Raze the existing home at 1547 West Mineral Street
- Develop the Property with Design Review Team approved plans for parking within 18 months of closing and provide DCD with Certificate of Occupancy ("COO")

At closing, subtracted from the sale proceeds will be sale and marketing expenses and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee; the remaining proceeds shall be deposited in the Delinquent Tax Fund.

DUE DILIGENCE CHECKLIST

ADDRESS: 1547 WEST MINERAL STREET

The Commissioner's assessment of the market value of the property.	<p>The "Property" at 1547 West Mineral Street is being sold "as is, where is," without any guarantees. The Property is zoned RT4. The one-story single-family home has 1,488 SF and sits on a 4,200 SF lot.</p> <p>The purchase price is \$30,000. The price considered recent sales of similar homes in the area and was adjusted to reflect the property condition and clean out of the significant personal property located inside the home.</p>
Full description of the development project.	<p>The Buyer, Sixteenth Street Community Health Centers Inc. ("SSCHC") or its assignee, plans to demolish the home, rezone the vacant lot, and combine it with their adjoining parking lot at 1559 West Mineral Street for staff, patients and community parking. No cars will be towed from the combined lot.</p>
Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.	<p>Site, parking and landscaping plans were reviewed and approved by DCD Planning staff to meet or exceed zoning requirements.</p>
Developer's development project history.	<p>SSCHC has several properties in the area and continues to expand to serve the community.</p>
Capital structure of the project, including sources, terms and rights for all project funding.	<p>The estimated purchase, demolition, clean out, rezoning and landscaping improvements are approximately \$130,000. The Buyer will not be seeking City funding resources to complete the project. All costs will be the responsibility of the Buyer.</p>
Project cash flows for the lease term for leased property.	<p>Not applicable.</p>
List and description of project risk factors.	<p>The SSCHC has long been an asset to the community. The Buyer's past history with the City does not foresee any risks.</p> <p>The Buyer and City will work to approve a landscape plan that limits any impact on the adjoining residential home to the east of the parking lot.</p>
Tax consequences of the project for the City.	<p>The Property shall be subject to a PILOT agreement recorded at closing in the amount of \$600 to be paid annually. This restriction shall be a permanent covenant that runs with the land and may only be released by resolution passed by the City's Common Council by a 2/3 vote (MCO 304-49-13) and recording by Grantor of a Release of Restriction with the Milwaukee County Register of Deeds.</p>