

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

DATE

March 8, 2022

RESPONSIBLE STAFF

Matt Haessly, Department of City Development

PARCEL ADDRESSES AND DESCRIPTION

2602-12 West Auer Avenue (the "Property"), is a church with commercial spaces (offices, kitchen, pantry and community space), gymnasium and house situated on a lot area of approximately 12,600 square feet. The City of Milwaukee ("City") acquired the Property in March 2021 through property tax foreclosure.



City Property

BUYER

The Mindful Group, Inc., Reginald Reed, Jr. (Founder), and (the "Buyer") is a non-profit organization that focuses on providing supportive services to Milwaukee underserved community members. Their primary services include but are not limited to rent assistance, childcare support, drivers' education, high school equivalency degree services, homeownership program, vehicle purchase and repair program, essential needs assistance, and more. Its primary goal is to create sustainable support systems that don't require as much grant funding as traditional non-profit efforts. They are currently in the process of renovating three residential homes for its homeownership program.

PROJECT DESCRIPTION

The Buyer desires to purchase and renovate the church so that the neighbors and community have a safe space to worship, learn and play in the Franklin Heights neighborhood. The Buyer believes it is imperative that the children have a place to go to practice sports and other afterschool activities. The restoration of the basketball courts will bring a new opportunity for the children. Continuation of the food pantry will be considered to provide a needed asset for families who struggle with food as this

area doesn't have a suitable grocer. The house that shares the lot will likely be used to provide emergency temporary housing for individuals who are in need and/or housing for church staff.

The Buyer's estimated budget is \$311,000, which would include the church and house. Additionally, this restoration will provide more training opportunities for students participating in Mindful Staffing building trades program. Mindful Staffing will have a satellite office in the church, bringing job, and training opportunities to the region.

The Buyer intends to renovate the home and seek a tenant within 6 months of closing. Improvements will include flooring, paint, exterior cosmetics, landscaping, kitchen, and bathroom.

The Buyer intends to work with the former church operator, Ms. Rosslind Allen to renovate the church, offices, pantry, kitchen and gymnasium. Renovation activities will include, but not be limited, installing a new heating system, updating electrical and plumbing services, as needed, tuck pointing the brick façade, repairing and/or replacing the roof(s).

PURCHASE TERMS AND CONDITIONS

The purchase price is \$1,000 and Buyer shall pay all closing costs. The conveyance will be on an "as is, where is" basis. The Buyer agrees to obtain all necessary City permits and approvals, including Board of Zoning Appeals approvals, as needed. The Buyer will pay a \$2,000 performance deposit regarding Buyer's duty to complete renovation and obtain a Certificate of Occupancy by March 31, 2024. Buyer will be required to meet the City's General Buyer Policies. The Buyer will execute a City Purchase and Sale Agreement, which will outline all terms of the transaction.

The deed of conveyance will contain a restriction prohibiting the Buyer, or its successors, from applying to the City of Milwaukee for tax-exempt property status and a deed restriction prohibiting the Buyer from conveying the Property to another prior to Buyer obtaining the Certificate of Occupancy. At closing, the sale proceeds, less sale and marketing expenses and a 30 percent disposition cost reimbursement to the Redevelopment Authority of the City of Milwaukee, shall be deposited in the Delinquent Tax Fund.