

**LRB – RESEARCH AND ANALYSIS SECTION ANALYSIS**

**JUNE 12, 2007 AGENDA  
ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE**

**ITEM 7, FILE 070285  
Emma J. Stamps**

File No. 070285 is a resolution accepting an offer to purchase submitted by Housing Resources, Inc., for the improved, tax-deed property at 2500 West Capitol Drive, in the 1st Aldermanic District

**Background**

1. Section 304-49-7 allows the City to accept unsolicited Offers to Purchase when the City receives fair compensation, whether monetary or non-monetary.
2. Not-for-profit organizations may opt to purchase city-owned property either by entering into a Payment in lieu of Taxes (PILOT) Agreement with the City of Milwaukee or purchase a city-owned property with a deed restriction that the organization apply to the City for exemption from real estate taxation.

**Discussion**

3. 2500 West Capitol Drive is a one-story commercial parcel measuring 2,936 sq. ft. The City of Milwaukee once operated a tool loan center in this building. The City of Milwaukee has leased the property to several not-for-profits to operate tool loan centers including the Atkinson, Capital and Teutonia Business Association in 1993 (CCRN 930976) and Neighborhood Housing Services in 1995 (CCFN 941183).
4. DCD recommends accepting a \$5,000 offer from the Housing Resources, Inc.'s (HRI), a not-for-profit organization, to purchase 2500 West Capitol Drive to rehabilitate the building for uses as the "Tool Loan Program" and homebuyer counseling services.

5. The \$81,000 rehabilitation scope includes:

Interior:	Upgraded office use	Exterior:	Replacing flat roof
	Training facility		New windows
	Tool loan center		

6. HRI has opted for a PILOT Agreement over a real estate tax exemption.
7. Adopting File 070285 authorizes the sale of 2500 West Capitol Drive to Housing Resources, Inc. for the aforementioned rehabilitation. The Housing Resources, Inc. must enter into a PILOT Agreement with the City of Milwaukee.

**Fiscal Impact**

The fiscal impact totals \$5,000 less closing expenses, a brokerage commission (not quantified in the Land Disposition Report) and a 25% RACM administrative fee. Sale proceeds will be deposited to the Reserve for Tax Deficit Fund.

Annual PILOT estimates are not disclosed.