

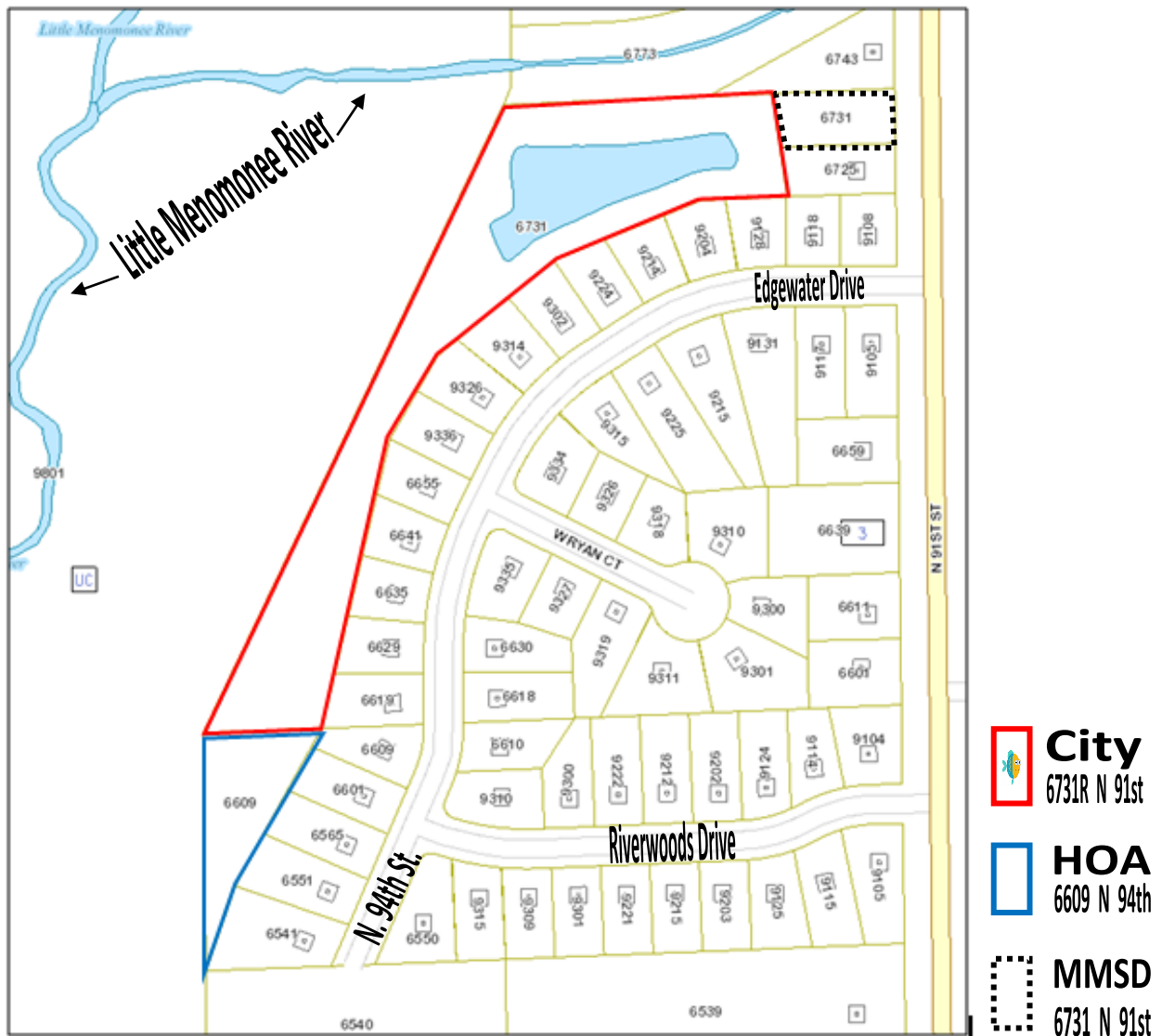
**LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE
June 19, 2019

RESPONSIBLE STAFF
Matt Haessly, Real Estate Specialist, DCD

PARCEL ADDRESS AND DESCRIPTION

6731 R N. 91st Street, Milwaukee (the "Site"), TIN 144-0205-000, is an Outlot with a storm water detention pond that is part of the Riverwoods of Milwaukee Storm Water Management Plan under Milwaukee Code of Ordinances Chapter 120.



BACKGROUND & CITY TAX FORECLOSURE AGAINST THE SITE

Years ago, an entity related to William Ryan Homes developed the Riverwoods of Milwaukee Subdivision, and in conjunction with that development, the developer:

- Recorded against title to subdivision parcels a "Declaration for Riverwoods of Milwaukee" (recorded on 1-5-2001 as ROD Doc. 8007427) establishing a homeowners association ("HOA") that would collect dues for, among other things, common areas and common area maintenance, and maintenance and repair of storm water facilities
- Conveyed (by Riverwoods Limited Partnership, an entity related to William Ryan Homes) to the HOA the Site (Outlot 1 of the subdivision) by deed recorded 2-18-2003 as ROD Doc. 8456842.

Page 3 of the deed from the limited partnership to the HOA (drafted by William Ryan Homes by Jennifer Rajca), unfortunately, contained a provision that said "SEND SUBSEQUENT TAX BILLS TO" the HOA in care of the grantor "c/o William Ryan Homes, Inc., 945 Plum Grove Road, Suite G, Schaumburg, Illinois 60173." Due to that provision in the deed, the HOA was not getting the City property tax bills for the Site and the HOA did not pay property taxes on the Site. Consequently, the City tax-foreclosed on the Site as Parcel 15 in the City's 2007 No. 1 In Rem File, 2007-CV-004412, with the Judgment in that case having been recorded 8-13-2007 as ROD Doc. 09478875. Thus, the City has owned the Site since 2007, and the City currently owns the Site. The HOA was not aware of the tax foreclosure and the HOA has been caring for the Site.

The HOA owned and still owns 6609 N. 94th Street (TIN 144-0235-000-9). That parcel is north of, and abuts, the Site and is also part of the subdivision common area. The HOA has been getting – and paying – City tax bills for that 6609 N. 94th Street parcel. The HOA has believed that its tax payments covered both 6609 N. 94th Street parcel and the Site, but they didn't. The HOA's tax payments only covered 6609 N. 94th Street.

The HOA and the City only recently became aware of the above facts. The City does not want to own the Site which is integral to the subdivision, the HOA, and the storm water management plan for the subdivision.

GRANTEE AND CONVEYANCE TERMS

The City would convey the Site to the HOA (The Riverwoods of Milwaukee Homeowners Association Limited, a Wisconsin nonstock corporation), AS IS, by Quit Claim Deed for \$1, for the HOA to continue using the Site as common area for the subdivision, subject to the Declaration and any other matters of record, and for the HOA to continue to use for storm water management purposes under MCO Ch. 120. The Site would be returned to the tax rolls. The HOA would pay all closing costs including recording the deed. And the deed would require a restrictive covenant against property-tax exemption per MCO 304-49-13.

Due Diligence Checklist
Address: 6731 R North 91st Street

<p>The Commissioner's assessment of the market value of the property.</p>	<p>6731 R North 91st Street (the "Property") is being sold "as is, where is," without any guarantees.</p> <p>The Property is an Outlot with a storm water detention pond that is part of the Riverwoods of Milwaukee Storm Water Management Plan under Milwaukee Code of Ordinances Chapter 120. The Property was acquired by the City of Milwaukee ("City") through property tax foreclosure in 2007. The subdivisions Homeowners Association ("HOA") has been maintaining the Property since the HOA was formed in 2003.</p> <p>The purchase price for the Property is \$1.00.</p>
<p>Full description of the development project.</p>	<p>The property at 6731 R. N. 91st Street (the Site) is common area for the Riverwoods of Milwaukee Subdivision, and it also is the location of the storm water management detention pond for that Subdivision's Milwaukee Code of Ordinances (MCO) Ch. 120 storm water management plan</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>See Land Disposition Report. The Property is used for storm water detention purposes in association with the abutting subdivision.</p>
<p>Developer's development project history.</p>	<p>The subdivision has successfully been developed and the original subdivision developer conveyed the Site to the Subdivision's Homeowners Association (the HOA) (the Riverwoods of Milwaukee Homeowners Association) by deed recorded on February 18, 2003.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>Not applicable. The storm water management pond has already been developed.</p>
<p>Project cash flows for the lease term for leased property.</p>	<p>Not applicable. The storm water management pond has already been developed.</p>
<p>List and description of project risk factors.</p>	<p>If the City retains ownership of this detention pond, the City will become responsible for all costs associated with maintaining the detention pond.</p>
<p>Tax consequences of the</p>	<p>The deed of conveyance will contain a restriction prohibiting the</p>

project for the City.	Buyer or its successors from applying to the City for tax-exempt property status.
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