

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

DATE

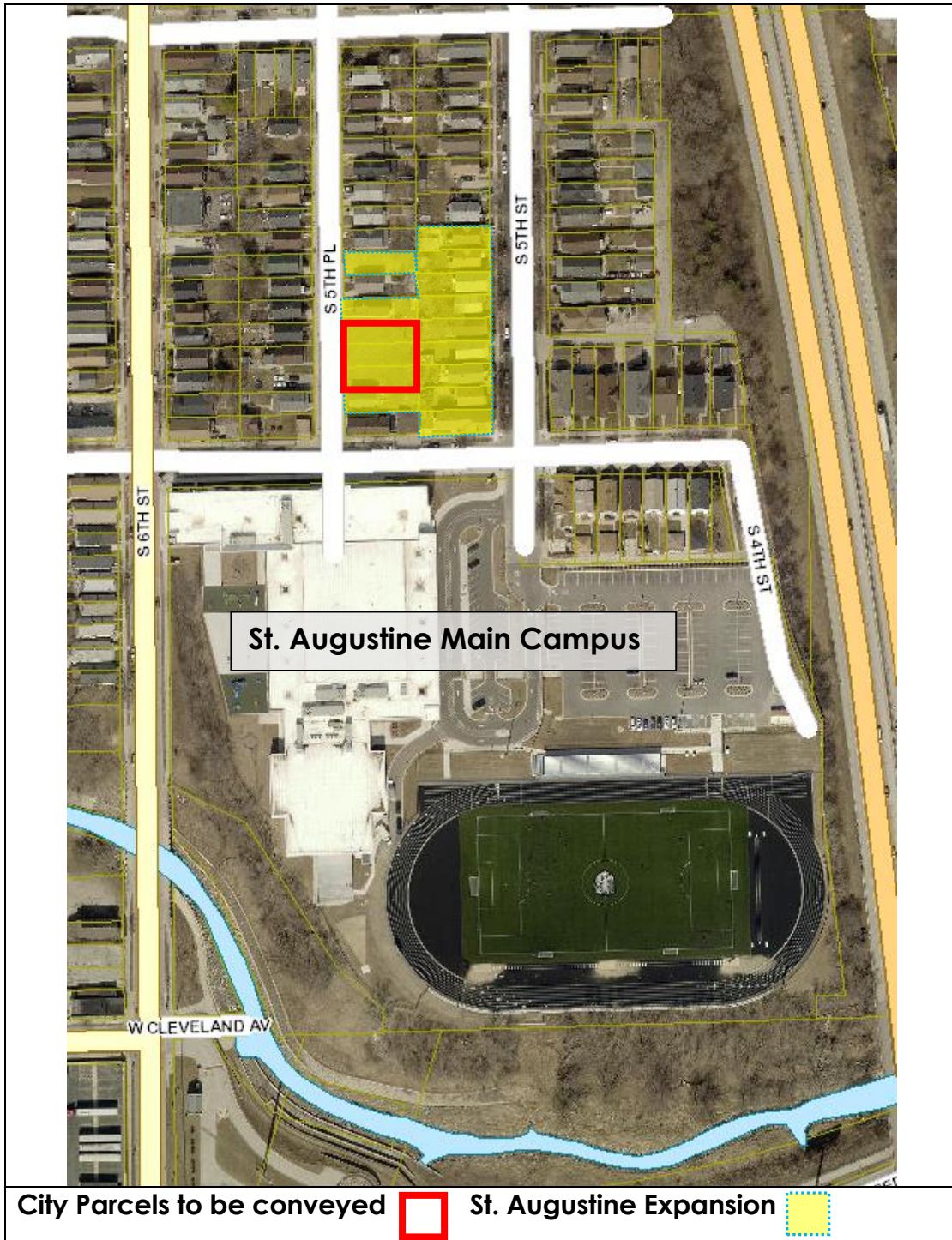
October 21, 2019

RESPONSIBLE STAFF

Yves LaPierre, Program Manager, Department of City Development

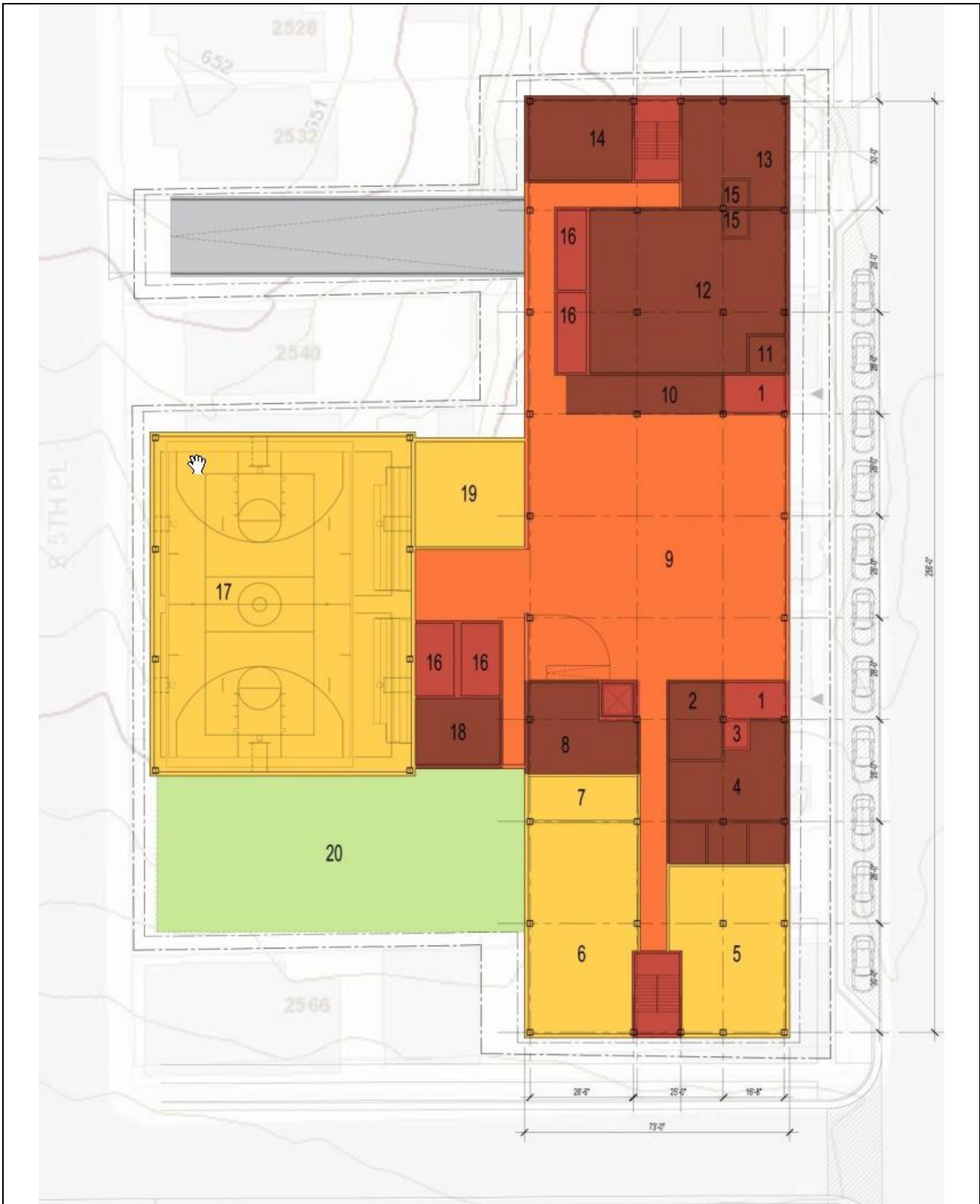
PROPERTIES

2548, 2552, and 2556 South 5th Place: Three City-owned vacant lots acquired through tax foreclosure. The lots total 8,640 square feet and are located in the Lincoln Village neighborhood.



BUYER

The Achieving Educational Excellence, Inc. ("AEE"), developer of St. Augustine School, which built the main school campus directly to the south. AEE's main campus houses its K4-12 school. AEE purchased and demolished a number of residential and commercial properties to complete the initial project in 2017. Currently the school serves 1,000 students and will serve 1,500 at capacity. The school employs 100 people.



Proposed site plan for The St. Augustine expansion.

PROPOSED DEVELOPMENT

AEE is proposing to expand its facilities with a new building, underground parking and play area. The expansion on the block bound by South 5th Place and South 5th Street will house elementary grades. Building will be approximately 110,000 square feet with a style that complements the existing school. Total investment will be approximately 30 million. Building and site design is by Korb & Associates Architects.



Aerial View to the Northwest.



View to Main Façade on South 5th Street

OFFER TERMS AND CONDITIONS

The purchase price is \$500 per lot. A Purchase and Sale Agreement will be executed with AEE to outline performance obligations and assure satisfactory compliance through reversion of title power. The Purchase and Sale Agreement will also require execution of a PILOT agreement with the City of Milwaukee for payment of municipal services. A Certificate of Code Compliance must be provided within twenty four months following the closing as evidence of satisfactory redevelopment and conformance with City of Milwaukee ("City") code. Conveyance will be by quit claim deed on an "as is, where is" basis. The sale proceeds, less sale expenses and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee, shall be credited to the Delinquent Tax Fund.

DUE DILIGENCE CHECKLIST
ACHIEVING EDUCATIONAL EXCELLENCE, INC. ST. AUGUSTINE SCHOOL EXPANSION

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| Market value of the property. | Three City-owned vacant lots acquired through tax foreclosure. The lots total 8,167 square feet. The property is being sold "as is, where is," without any guarantees. The \$500 per lot sales price is based on similar sales of City-owned vacant lots to adjoining businesses. |
| Full description of the development project. | Development of a new building, parking and play facilities to support The St. Augustine school expansion. |
| Complete site, operations and scope of work for development. | Please see the Land Disposition Report for details. |
| Developer's project history. | AEE developed the main campus of St. Augustine School |
| Capital structure of the project, including sources, terms and rights for all project funding. | Development is funded with private donations and buyer equity. |
| 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 three residential vacant lots on the block bound by South 5th Place and South 5th Street due to their low value and low development potential. |
| Tax consequences of the project for the City. | AEE agrees to enter into a Payment in Lieu of Taxes agreement with the City to pay for municipal services. Thus, the City will be compensated for formerly vacant, tax-exempt properties. |