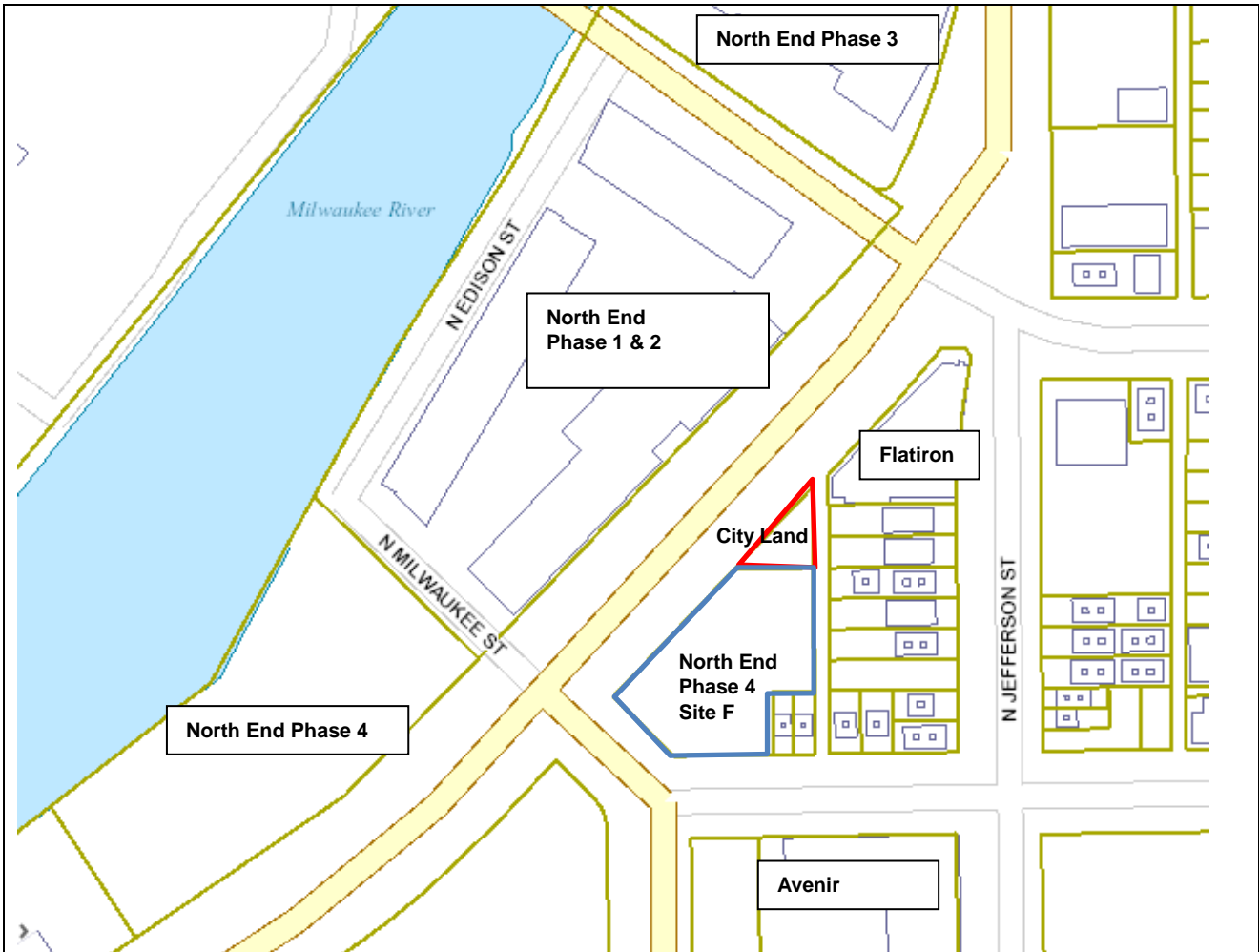


**LAND DISPOSITION REPORT AND DUE DILIGENCE CHECKLIST  
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

**DATE**  
September 1, 2015

**DCD STAFF**  
Yves LaPierre

**PROPERTY**  
1524 North Milwaukee Street: A 2,994 square-foot triangle shaped remnant lot owned by the City of Milwaukee. The property was acquired in 1976 for the widening of Water Street.



City Lot to Left and Mandel Property to Right. View to South.

**BUYER**

USL Land LLC (“USL”), owner of the adjacent property at 404 East Lyon Street. USL is a LLC created by Mandel Group Inc. Mandel is completing the last phases of its North End commercial and residential developments on Water Street. When complete, The North End development will have replaced a former tannery site with 650 apartments, ground level retail, a public plaza, Riverwalk extension and street extension. Mandel also has redeveloped numerous sites in Milwaukee and surrounding areas.

**PROPOSED DEVELOPMENT**

The City parcel at 1524 North Milwaukee Street will be combined with USL's adjacent property to create a development site for its Phase 4, Site F, residential building. Development will consist of a six-story residential building, with 90 units ranging from studio to two-bedroom and 96 interior parking spaces. Phase 4, Site F, will be the last part of The North End development that also consists of an 155 unit mixed-use building across Water Street along the river.



Phase 4, Site F, looking South.



Phase 4, Site F, looking North.

**OFFER TERMS AND CONDITIONS**

The purchase price is \$6,000. Property will be sold to USL, a limited liability company created by Mandel to develop the last phase of The North End project. Conveyance will be by quit claim deed on an "as is, where is" basis with a deed restriction prohibiting tax-exempt status. The sale proceeds, less sale and marketing expenses and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee, shall be credited to the appropriate City fund.

**DUE DILIGENCE CHECKLIST****ADDRESS: 1524 NORTH MILWAUKEE STREET**

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| Market value of the property.  | The property is a 2,994 SF triangular remnant parcel acquired by the City in 1976. The property is north of downtown in the 3rd Aldermanic District. The property is being sold "as is, where is" without any guarantees. Sales price for the property is \$6,000 (approximately \$2 per square foot) based on its small size, irregular shape, lack of development potential, impacted soils and Buyer's investment in the neighborhood. |
| Full description of the development project.   | The Buyer, USL Land LLC ("USL"), submitted an unsolicited offer for the lot. USL owns the adjacent property at 404 East Lyon Street and will combine its property with the City property to create a development site for a 90-unit residential building with 96 interior parking spaces.   |
| Complete site, operations and scope of work for development.                                   | Please see the Land Disposition Report for details.   |
| Developer's project history.   | USL is a LLC created by Mandel Group, Inc. as part of its development of The North End. Mandel is nearing completion of the redevelopment of the former tannery site on North Water Street into The North End consisting of 650 apartments, ground floor retail, streets and Riverwalk. Mandel has a successful track record of high-quality developments in Milwaukee and surrounding areas.   |
| Capital structure of the project, including sources, terms and rights for all project funding. | Mandel will fund the project with its own equity and private financing.   |
| 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 very low risk in selling the property to this Buyer. The sale of this lot will foster a major development of the City property and the adjacent surface parking lot owned by Mandel.  |
| Tax consequences of the project for the City.  | The deed of conveyance will contain a restriction prohibiting the Buyer, its assignee or its successors from applying to the City for tax-exempt property status. Thus, a formerly vacant, tax-exempt property will be returned to the property tax rolls. Development costs for this site are projected to be \$21 million.  |