

# Land Disposition Report

## COMMON COUNCIL OF THE CITY OF MILWAUKEE

### DATE

July 17, 2019

### RESPONSIBLE STAFF

Matt Haessly, Real Estate Specialist, DCD

### PARCEL ADDRESS AND DESCRIPTION

1819 West North Avenue and 1905 West North Avenue (the "Properties"): The Properties are in the City of Milwaukee's 2019 property tax foreclosure File No. 2 and File No. 3, respectively. The Properties are currently privately-owned, tax-delinquent brownfields. The 1819 West North Avenue property has a 7,120 square-foot building situated on a 7,200 square-foot parcel and 1905 West North Avenue has a 4,050 square-foot building situated on a 4,770 square-foot parcel. The Properties are located within the Triangle North neighborhood.

The 1819 West North Avenue property was previously occupied by automobile and motorcycle uses that included sales, painting, body work and repair uses. The 1905 West North Avenue property was previously occupied by a filling station along with a motorcycle service and repair business. These historic land uses for the Properties may have used, handled, stored, generated and/or disposed of hazardous materials or wastes. Because of that, under MCO 308-22-2-c, approval of acquisition of title by 3/4 Common Council vote is required.



### BUYER AND PROJECT DESCRIPTION

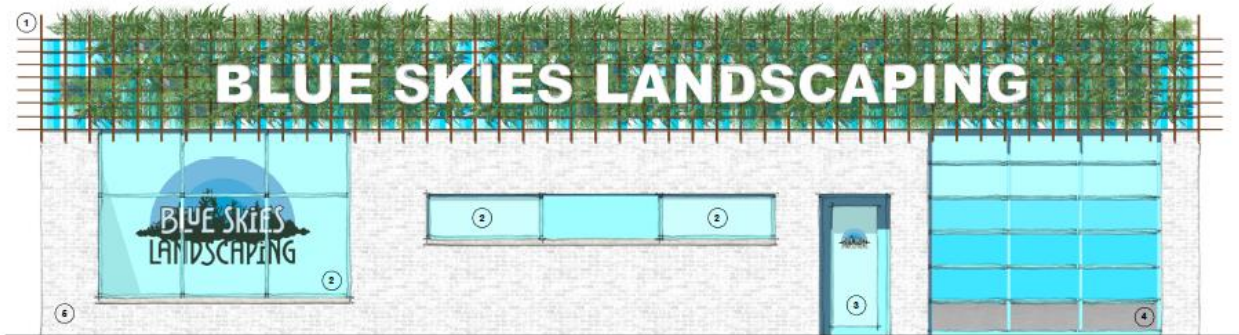
Walnut Way Conservation Corp. ("WWCC"), or its assigns, is the Buyer. WWCC was officially chartered by residents in 2000. WWCC engages neighbors in making our community a place of destination. Since its purposeful beginnings, WWCC has restored dilapidated homes to quality

housing, built a vibrant community resource center, transformed vacant lots into gardens and orchards, strengthened neighborhood safety, developed the Innovations and Wellness Commons for economic development, and pathways to meaningful employment through its Blue Skies Landscaping Program, created innovative wellness programs for men and women, and engaged residents of all ages in neighborhood revitalization activities.

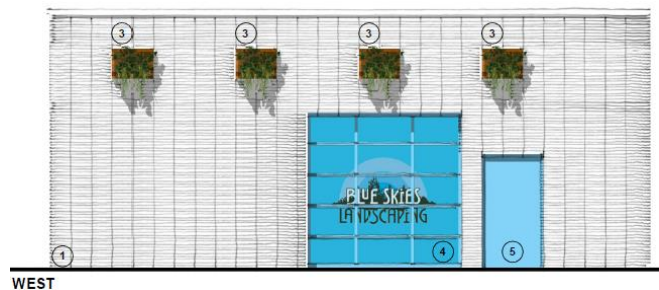
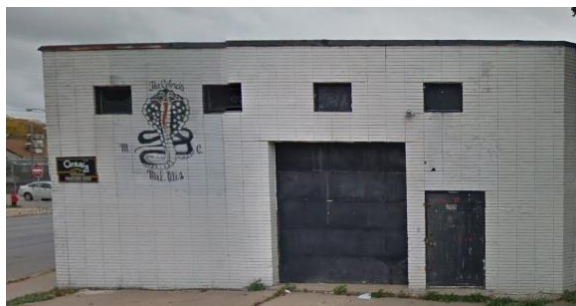
Upon acquisition of the Properties, WWCC will renovate the Properties and occupy them with Blue Skies Landscaping, a program of WWCC that is an emerging social enterprise seeking a new headquarters and operations facility to provide office space, heavy equipment and supply storage with space for equipment maintenance, repairs and training. WWCC's estimated renovation budget is \$50,000.



1819 West North Avenue (before)



1819 West North Avenue (proposed improvements)



1905 West North Avenue (west elevation before) 1905 West North Avenue (west elevation after)

**CONVEYANCE TERMS AND CONDITIONS**

Closing is contingent upon the City obtaining property tax-foreclosure judgment of the Properties. If the City obtains foreclosure judgment, WWCC will pay \$10,000 for the Properties, renovate the buildings, accept a deed restriction prohibiting tax exemption, and accept the Properties "as is, where is" with all known and unknown environmental liability. Closing is also contingent on WWCC purchasing from the City the property at 1805-1807 West North Avenue. The Buyer will combine into one parcel: (a) 1819 West North Avenue with (b) 1809 West North Avenue (if the Buyer acquires 1809 West North Avenue) and (c) 1805-1807 West North Avenue if the Buyer becomes owner of 1819 West North Avenue.

Due Diligence Checklist  
Address: 1819 and 1905 West North Avenue

<p>The Commissioner's assessment of the market value of the properties.</p>	<p>1819 West North Avenue and 1905 West North Avenue (the "Properties") are in the City's 2019 No. 2 and 2019 No. 3 property-tax foreclosure files, respectively. The Properties are privately owned tax-delinquent brownfield properties that will be sold "as is, where is," without any guarantees. The Properties are zoned LB2 or Local Business. The purchase price for the Properties is \$10,000. The buildings are vacant and have considerable deferred maintenance.</p>
<p>Full description of the development project.</p>	<p>Walnut Way Conservation Corp. ("WWCC") will renovate the Properties and occupy them with Blue Skies Landscaping, a program of WWCC that is an emerging social enterprise seeking a new headquarters and operations facility to provide office space, heavy equipment and supply storage with space for equipment maintenance, repairs and training.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>The Buyer intends to renovate the existing buildings. Please see Land Disposition Report.</p>
<p>Developer's development project history.</p>	<p>WWCC was officially chartered by residents in 2000. WWCC engages neighbors in making our community a place of destination. Since its purposeful beginnings, WWCC has restored dilapidated homes to quality housing, built a vibrant community resource center, transformed vacant lots into gardens and orchards, strengthened neighborhood safety, developed the Innovations and Wellness Commons for economic development, and pathways to meaningful employment through its Blue Skies Landscaping Program, created innovative wellness programs for men and women, and engaged residents of all ages in neighborhood revitalization activities.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>Funding for the improvements will be self-financed, available commercial grant programs and by buyers sweat equity.</p>
<p>Project cash flows for the lease term for leased property.</p>	<p>Not applicable.</p>
<p>List and description of project risk factors.</p>	<p>Since the proposed deal between the City and the Buyer depends upon the City being able to acquire the Properties by tax-foreclosure (so the City can then sell the Property to Walnut Way Conservation Corp. or assignee) one risk is that the current tax-delinquent owner redeems the parcel from tax foreclosure by paying off the delinquent taxes.</p>

Tax consequences of the project for the City.	The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status.