

LAND DISPOSITION REPORT

COMMON COUNCIL AND REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE

DATE

April 19, 2018

RESPONSIBLE STAFF

Dan Casanova, Department of City Development

PARCEL ADDRESSES AND DESCRIPTION

738 and 744 North Old World Third Street (the "Property") consists of an 11,250 SF parking lot. The Property is located in the Westtown neighborhood of downtown Milwaukee.



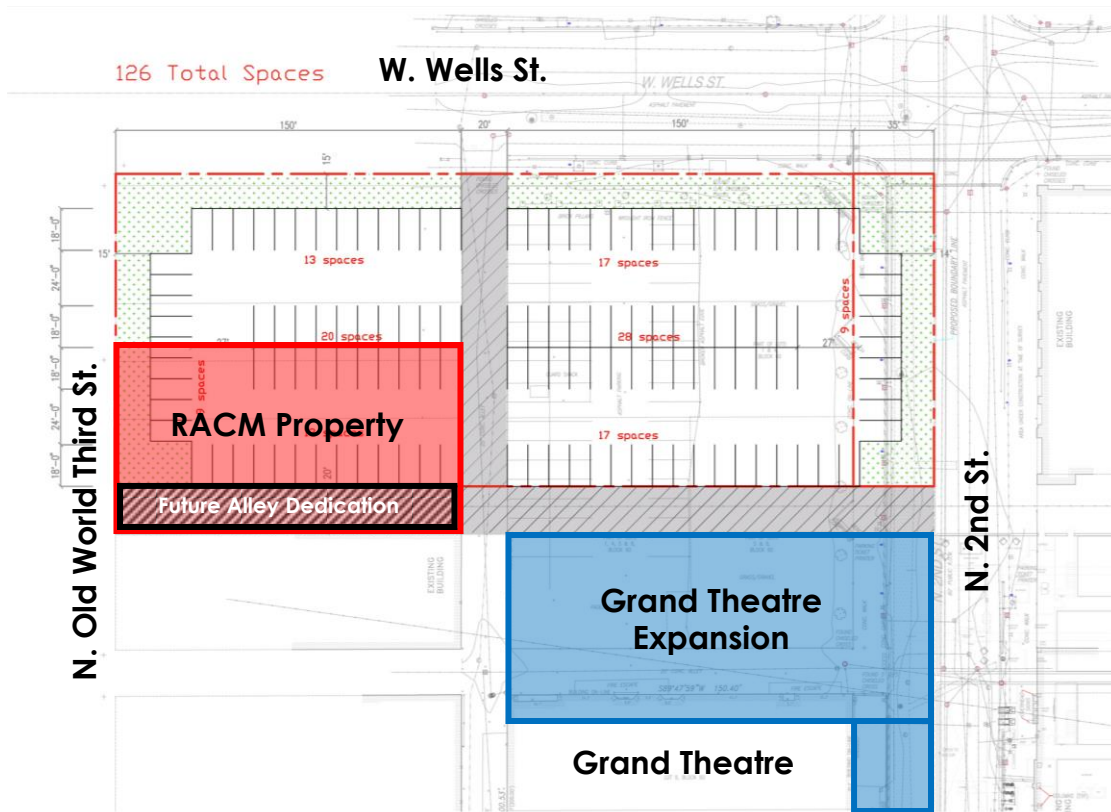
 RACM Property

BUYER

MVP Milwaukee Wells, LLC (the "Buyer"), a Nevada limited liability company that owns and operates parking lots around the United States, or its successors and assigns.

PROJECT DESCRIPTION

The Milwaukee Symphony Orchestra, Inc. ("MSO") is proposing to redevelop the Grand Theatre at 212 West Wisconsin Avenue into its new performance hall, an approximately \$80m investment. As part of that redevelopment project, the theater needs to be expanded to the north to provide additional space for dressing rooms, loading docks and other back-of-house uses. MSO will be purchasing a portion of 215 West Wells Street and 735 North 2nd Street from the Buyer to accommodate that northern expansion. To make the Buyer whole on a square footage and parking space basis, the Property would be sold to the Buyer, which owns the adjoining lots at 746-52 North Old World Third Street. The newly formed property will be made into a new surface parking lot (the "Project"), with the sole purpose of facilitating the MSO's Grand Theatre project.



Proposed Site Plan

PURCHASE TERMS AND CONDITIONS

The purchase price is \$388,035 (approximately \$34.49/SF). The conveyance will be on an "as is, where is" basis, including all environmental and geotechnical conditions, if any. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status, requiring the Buyer to enter into a lease with TNSH Landlord, LLC, an indirect subsidiary of MSO, requiring the Buyer to agree to dedicate approximately 20 feet of the southern portion of the Property for a new public alley. The Property must go to the Board of Zoning Appeals for a new Special Use and will be subject to landscaping requirements. The Authority will have an Option to Repurchase the Property if it is not developed by December 31, 2025 for \$388,035, adjusted by the Consumer Price Index. MSO will pay the difference between \$388,035 and the adjusted price, per an amendment to the Cooperation, Reimbursement and Redevelopment Agreement among the City, RACM, MSO and TNSH Landlord, LLC. Notwithstanding the foregoing, such development excludes surface parking after December 31, 2025. At closing, sale proceeds will be held in an Authority escrow account for the potential future repurchase of the Property.

Due Diligence Checklist
Addresses: 738 and 744 North Old World Third Street

<p>The commissioner's assessment of the market value of the property.</p>	<p>The properties at 738 and 744 North Old World Third Street (the "Property") are located in the Westtown neighborhood of the 4th Aldermanic District. The Property is being sold "as is, where is," including all environmental and geotechnical conditions, without any guarantees.</p> <p>The price for the Property is \$388,035 (\$34.49/SF). Since the Property is a small mid-block parcel, difficult to develop on its own, this is a fair price. In addition, approximately 3,000 SF of this Property will be dedicated for a new public alley.</p>
<p>Full description of the development project.</p>	<p>The Buyer is MVP Milwaukee Wells, LLC, which owns the adjoining property at 746-52 North Old World Third Street. The Property will be used as a surface parking lot, with the Buyer's adjoining property at 746-52 North Old World Third Street. This is being done to assist the redevelopment of the Grand Theatre into the new home of the Milwaukee Symphony Orchestra.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>The Buyer will comply with the attached site plan for the Property and will go to the Board of Zoning Appeals for a new Special Use that will be subject to landscaping requirements.</p>
<p>Developer's development project history.</p>	<p>MVP Milwaukee Wells, LLC has significant experience owning and operating parking lots around the United States.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>Cash sale to the Buyer, which owns the adjoining property.</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>Department of City Development staff determined there is very low risk in selling the Property to the Buyer, based on the Buyer's history, ownership of the adjoining property and commitment to the City.</p>
<p>Tax consequences of the project for the City.</p>	<p>The Property will be fully-taxable. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status. The Property is currently tax-exempt because it is owned by the Authority.</p> <p>The sale proceeds will be placed in an Authority escrow account for the potential future repurchase of the Property.</p>