

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

DATE

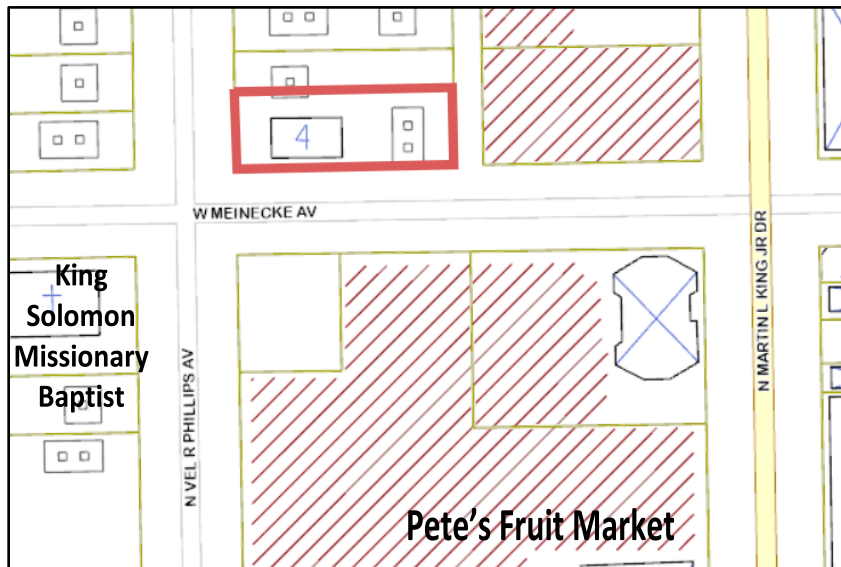
January 25, 2022

RESPONSIBLE STAFF

Amy E. Turim, Real Estate Development Services Manager

PARCEL ADDRESS AND DESCRIPTION

322-40 West Meinecke Avenue (the "Property"): A single 6,000 square foot parcel with two buildings onsite, totaling 6,114 square feet. One building on the property is a multi-unit structure located on the west end of the parcel, and the other is a duplex structure that is located on the east end of the parcel. The Property was acquired through property tax foreclosure in June 2015, and located in the Harambee Neighborhood.



Subject Property

BUYER

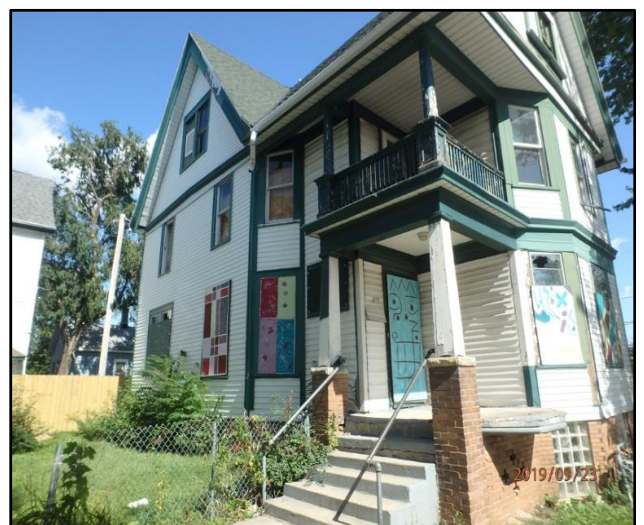
HomeWorks: Bronzeville (the "Buyer").

HomeWorks: Bronzeville is co-directed by:

Mikal Floyd-Pruitt of I Am Milwaukee

Vedale Hill of Jazale's Art Studio

Sara Daleiden of MKE<->LAX

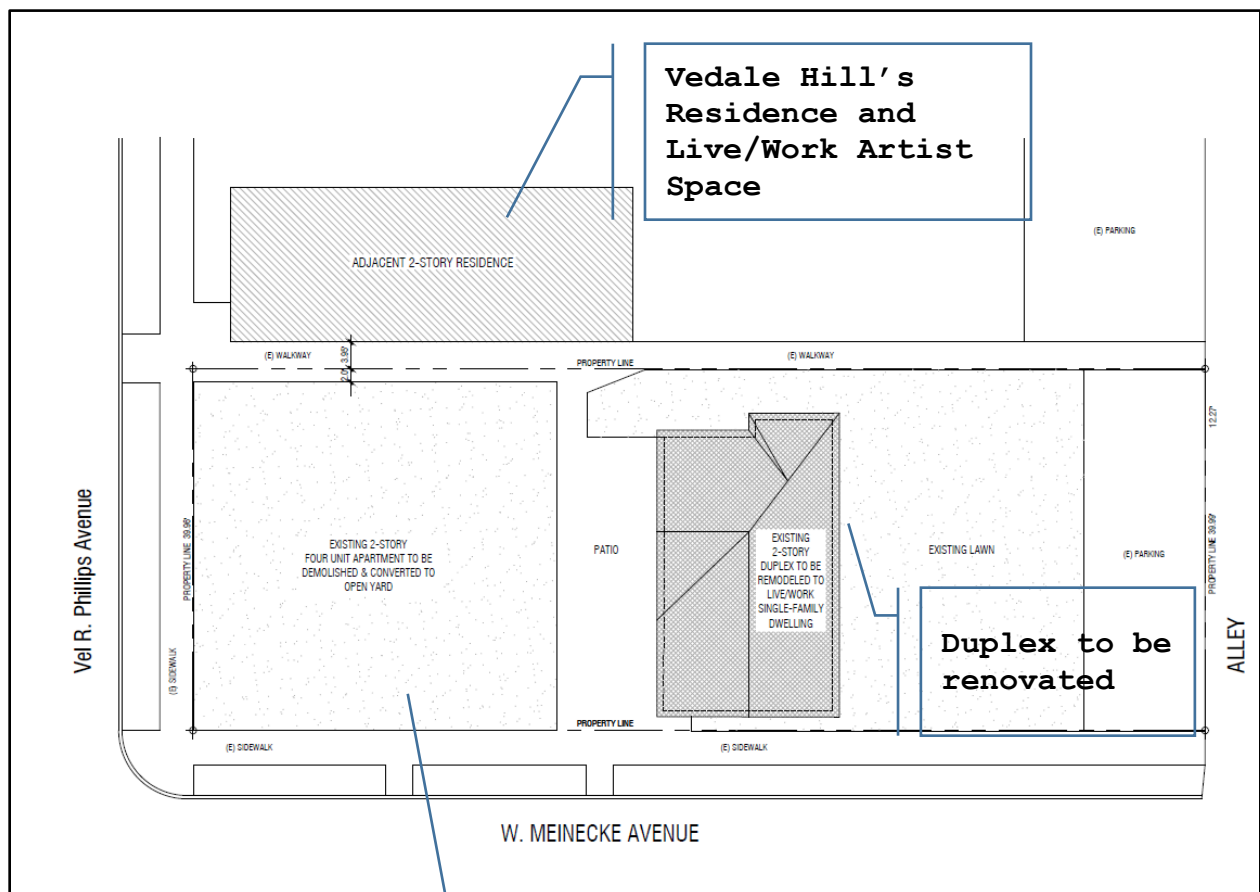


Above: Photo of Duplex on Property (2019)

EXCERPT FROM BUYER'S CHARTER:

Homeworks: Bronzeville is a cultural development project located within the Bronzeville Cultural and Entertainment District in Milwaukee, within Wisconsin and traditional Potawatomi, Ho-Chunk and Menominee homeland. Initiated in 2016, Homeworks: Bronzeville seeks to cultivate Bronzeville by concentrating on properties that surround America's Black Holocaust Museum in the Harambee neighborhood portion of the district. Homeworks: Bronzeville honors the museum as a beacon for change and an archive of pertinent history for this community. Through an arts and cultural development focus, Homeworks: Bronzeville rehabilitates residential and commercial properties, enhances public green space, engages neighbors and visitors, and encourages sustainable growth for artists and the district. At the foundation of our communal impact lies the development of an artist housing cluster where each property is a container for a professional artist's live-work practice, that incubates entrepreneurial culture and youth development in Bronzeville.

SITE MAP:



Four unit to be demolished

PROJECT DESCRIPTION

The Buyer proposes to demolish the multi-unit structure on the Property at Buyer's sole expense. Buyer is committed to following all City permit requirements and procedures for the demolition of the multi-unit structure.

Buyer will rehabilitate the duplex on the Property for an artist housing use. Rehabilitation will involve turning the duplex into a single live/work space for local or visiting artists. Buyer expects to spend approximately \$225,000 to renovate the duplex space, resulting in a 1,800 square foot structure with three bedrooms upstairs and a lower level art studio space.

The demolition of the multi-unit structure will provide greenspace that the Buyer expects to use for programming, as well as renting to other entities for programming. Buyer intends to explore a second phase of development on the property, including a new construction mixed-use building that will replace the greenspace created by the demolition. The proposed second phase would include multiple commercial spaces, and residential live-work units. This Land Disposition Report does not constitute an approval of the second phase of the project.

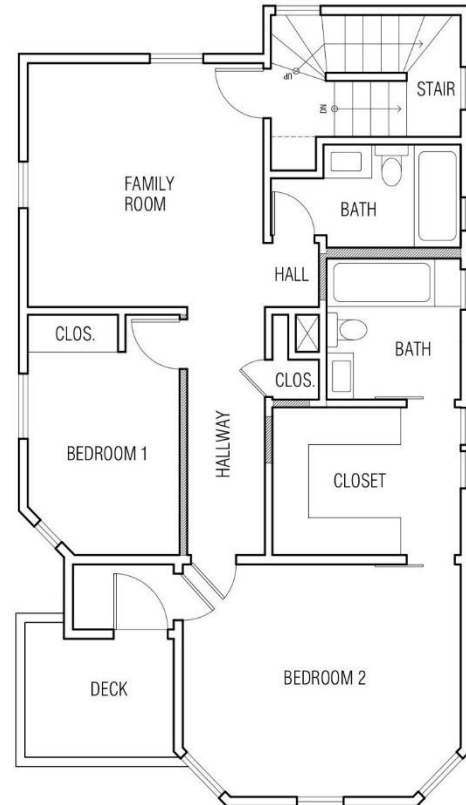
Buyer is financing the project with an Artist, Resource, Community Hub ("ARCH") Loan, a \$100,000 grant from the Greater Milwaukee Foundation, and through the Wisconsin Preservation Fund.



DUPLEX FIRST FLOOR PLAN

Scale: 3/16" = 1' (@ 8.5x11)

01.10.22



DUPLEX SECOND FLOOR PLAN

Scale: 3/16" = 1' (@ 8.5x11)

01.10.22



Photo of multi-unit building to be demolished
(2019)

PURCHASE TERMS AND CONDITIONS

The purchase price is \$1. The conveyance will be on an "as is, where is" basis, including all environmental 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.

Closing shall be contingent upon the Buyer complying with the terms and conditions of the ARCH Loan Program (Common Council File No. 170332) including entering into an ARCH Loan Agreement with the City of Milwaukee, and upon the Buyer obtaining all financing for the remainder of the project costs. At closing, the Buyer, or assignee, shall enter into an Offer to Purchase and pay all closing costs, as well as an ARCH Loan Agreement. The sale proceeds shall be deposited in the Delinquent Tax Fund.

The Buyer, at the Buyer's sole expense, will be required to demolish the multi-unit building on the west end of the property within six months of the closing date. Buyer will follow all relevant permitting and City codes for the demolition of the multi-unit property and the renovation of the two-family property. The Buyer, at the Buyer's sole expense, shall comply with applicable regulatory guidelines relating to the project and residential units.

Due Diligence Checklist
Address: 322-340 West Meinecke Avenue

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| <p>The commissioner's assessment of the market value of the property.</p> | <p>A single 6,000 square foot parcel with two buildings onsite, totaling 6,114 square feet. One building on the property is a multi-unit structure located on the west end of the parcel, and another is a duplex located on the east end of the parcel. The Property was acquired through property tax foreclosure in June 2015, and located in the Harambee Neighborhood.</p> <p>The purchase price for the Property is \$1. The conveyance will be on an "as is, where is" basis, including all environmental conditions, if any.</p> |
| <p>Full description of the development project.</p> | <p>Buyer will rehabilitate the duplex on the Property for an artist housing use. Rehabilitation will involve turning the duplex into a single live/work space for local or visiting artists. Buyer expects to spend approximately \$225,000 to renovate the duplex space, resulting in a 1,800 square foot structure with three bedrooms upstairs and a lower level art studio space. Buyer expects to rent the space to local and visiting artists.</p> |
| <p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p> | <p>The Buyer will be rehabilitating an existing duplex and demolishing a multi-unit structure.</p> |
| <p>Developer's development project history.</p> | <p>The Buyer has been involved with the development of the property at 2406-08 North Vel R. Phillips Avenue, where one of the principals of the Buyer currently resides.</p> |
| <p>Capital structure of the project, including sources, terms and rights for all project funding.</p> | <p>The estimated renovation budget is approximately \$225,000 plus the cost of demolition of the multi-unit structure. The Buyer has been pre-approved for financing from the Art and Resource Community Hub ("ARCH") Loan Program (Common Council File No. 170332). Wisconsin Preservation Fund will also be providing a loan of \$160,000 to \$185,000. Buyer is also receiving a \$100,000 grant from the Greater Milwaukee Foundation.</p> |
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| Project cash flows for the lease term for leased property. | \$19,200/annually. |
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| List and description of project risk factors. | Buyer has all loan pre-approvals in place. All financing to be confirmed prior to closing. |
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| Tax consequences of the project for the City. | The Buyer anticipates investing approximately \$225,000 in the renovation project. 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. |