



**CERTIFICATION OF ACTION TAKEN BY
THE MILWAUKEE BOARD OF SCHOOL DIRECTORS
AT ITS SPECIAL MEETING ON OCTOBER 14, 2013,
TO REQUEST AUTHORIZATION TO SUBMIT A REQUEST TO THE CITY TO SELL THE PROPERTY LOCATED AT
2760 NORTH 1ST STREET, MILWAUKEE, WISCONSIN (MALCOLM X)**

I hereby certify that the following is a true and correct citation of action taken by the Milwaukee Board of School Directors at its special meeting on October 14, 2013, to request authorization to submit a request to the City to sell the property located at 2760 North 1st Street, Milwaukee, Wisconsin (Malcolm X).

Date of Meeting: October 14, 2013
Meeting Time: Called to order: 6:18 p.m.
 Adjourned: 6:25 p.m.

Attendance of Board Members and Vote:

Michael Bonds, President..... PresentAye
Terence Falk PresentAye
Meagan Holman PresentAye
Tatiana Joseph..... PresentAye
Larry Miller PresentAye
Mark Sain..... PresentAye
Jeff Spence..... PresentAye
Annie Woodward Absent and Excused
Claire Zautke..... PresentAye

Ayes – 8; Noes – 0; Absent and Excused – 1

Dated this 14th day of October, 2013.

LYNNE A. SOBCZAK
Board Clerk/ Director
Office of Board Governance

**ACTION ON A REQUEST FOR AUTHORIZATION TO SUBMIT A REQUEST TO THE CITY TO SELL THE PROPERTY
LOCATED AT 2760 NORTH 1ST STREET, MILWAUKEE, WISCONSIN (MALCOLM X)**

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| Subject: | Action on a Request for Authorization to Submit a Request to the City to Sell the Property Located at 2760 North 1st Street, Milwaukee, Wisconsin (Malcolm X) |
| Strategic Plan Compatibility Statement: | Goal 6 The district is accountable for measurable results |
| Summary: | <p>The Administration is requesting authority for the Board's President and the Superintendent to complete the sale of the building located at 2760 North 1st Street in accordance with the attached term sheet. The term sheet, drafted by the Office of the City Attorney, outlines the parameters to be used in negotiating and executing the sale of the property. Use of a term sheet allows the district to complete real estate transactions in the most expeditious manner. This method has been used in the past and has been recommended by the City Attorney's Office.</p> <p>Pursuant to Wisconsin Stats., § 119.60(2), property used for school purposes shall be sold by the City upon written request of the Board of School Directors. Sale of district real estate requires the Common Council's approval. Following approval by the Board of this proposed sale, the Administration will submit the requested sale for the City's approval.</p> |
| Fiscal Impact Statement: | This item does not authorize expenditures. The sale's proceeds shall be deposited into the School Construction Fund, pursuant to Wisconsin Stats., § 119.60(1). |
| Implementation and Assessment Plan : | <p>Upon approval, the Administration will submit a request to the City to sell this property in accordance with the attached term sheet.</p> <p>The Superintendent and President of the Board are authorized to execute documents as necessary to carry out the land sale transaction authorized pursuant to this item.</p> |
| Recommendation: | The Administration recommends that the Board authorize the Administration to submit a request to the City to sell the property located at 2760 North 1st Street in Milwaukee, Wisconsin, pursuant to the terms outlined in the attached term sheet; and authorize the Superintendent and the President of the Board to execute all documents necessary to complete the sale of the parcels located at 2760 North 1st Street. |

Director Miller moved to approve the Administration's recommendation that the Board authorize the Administration to submit a request to the City to sell the property located at 2760 North 1st Street in Milwaukee, Wisconsin, pursuant to the terms outlined in the attached term sheet; and to authorize the

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Superintendent and the President of the Board to execute all documents necessary to complete the sale of the parcels located at 2760 North 1st Street. The motion was seconded by President Bonds.

The motion prevailed, the vote being as follows:

Ayes — Directors Falk, Holman, Joseph, Miller, Sain, Spence, Zautke, and President Bonds — 8.

Noes — None.

Absent and Excused — Director Woodward

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I hereby certify that the foregoing is a true and correct citation of action taken by the Milwaukee Board of School Directors at its special meeting on October 14, 2013, to approve the Administration's recommendation that the Board authorize the Administration to submit a request to the City to sell the property located at 2760 North 1st Street in Milwaukee, Wisconsin, pursuant to the terms outlined in the attached term sheet; and to authorize the Superintendent and the President of the Board to execute all documents necessary to complete the sale of the parcels located at 2760 North 1st Street.

Date of Meeting: October 14, 2013
Meeting Time: Called to order: 6:18 p.m.
Adjourned: 6:25 p.m.

Dated this 14th day of October, 2013.



LYNNE A. SOBCZAK
Board Clerk/ Director
Office of Board Governance

Attachment: Term Sheet for Sale of Parcel Located at 2760 N. 1st Street
(Malcolm X Middle School)

ACTION ON A REQUEST FOR AUTHORIZATION TO SUBMIT A REQUEST TO THE CITY TO SELL THE PROPERTY LOCATED AT 2760 NORTH 1ST STREET MILWAUKEE, WISCONSIN (MALCOLM X)

**TERM SHEET
FOR SALE OF PARCEL LOCATED AT
2760 N. 1st Street
(Malcolm X Middle School)**

Project: Redevelopment of the Property, or a portion thereof, as a multi-use project, including residential, retail, community resource, and educational uses. Property is being sold in "as is where is" condition with all faults and defects, known or unknown, physical or otherwise, and without representation or warranty, express or implied.

Property: Malcolm X Middle School is located at 2760 North 1st Street in Milwaukee, Wisconsin. This multi-level facility is approximately 170,948 gross square feet and sits on 4.92 acres of land, including green space (the "Property").

Buyer: 2760 Holdings, LLC. ("Buyer")

Purchase Price: Buyer to pay \$15.00 per square foot for 83,392 square feet of space to be used for educational purposes, \$10.00 per square foot for 87,556 square feet of space to be used for non-educational purposes. The total purchase price is \$2,126,439 subject to ordinary pro-rations and credits (including, but not limited to, a credit of \$10,000 for the Right to Negotiate fee paid by the buyer).

Lease Back: Buyer and MBSD shall enter into a Lease Agreement covering the 83,392 square feet of educational space. The term of the Lease shall be 50 months commencing sooner of April 1, 2014, or upon MBSD's acceptance of the improvements to the educational space. MBSD shall pay a monthly rent of \$12.00 per square foot. The Lease Agreement between Buyer and MBSD shall include the following terms: (a) the Lease Agreement shall be on a "triple net" basis; (b) an option for MBSD to repurchase the Property at the end of the term of the Lease Agreement at a price that includes a credit for the amount of rent paid by MBSD to Buyer; (c) an option for MBSD to pay the entire rental amount of the Lease in advance; (d) repayment of costs of improvements to the MPS leased space.

Operating Agreement: As part of the transaction, Buyer and MBSD shall negotiate and agree to an Operating Agreement for the operation of the Property. This Operating Agreement may include, but is not limited to, the following topics: (a) ingress and egress for the various uses on the Property; (b) the financing of capital improvements to the Property; (c) the planning and approval of further development of the Property; and (d) the hours of operation of the various uses.

Closing: Closing shall occur as mutually agreed by the parties.

Title Insurance and Closing Fees: Buyer shall be responsible for obtaining and paying the cost of title insurance, gap endorsements, closing fees, and title updates, if any.

Deed Restrictions: Sale of the property from MPS to Buyer is contingent upon the inclusion of the following Deed Restrictions; (1) the Property shall not be used for any use that has the effect of diminishing the annual average number of pupils enrolled in Milwaukee Public Schools, as determined pursuant to Wis. Stat. § 121.05; (2) should the Property, or any portion thereof, become tax exempt, Buyer or its successors and assigns may pay a PILOT payment in amount of the sum of the value of the Property times the Milwaukee Public Schools tax rate for the year plus the value of the Property times the City of Milwaukee tax rate for the year; and (3) Buyer shall grant MPS the right of first refusal with respect to the sale of all or any part of the Property during Buyer's ownership of the Property.

Financing Contingency: This transaction is contingent upon Buyer's ability to obtain financing for the purchase of the Property and the redevelopment thereof in a form acceptable to MPS and the City.

This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort shall be incorporated in one or more agreements among MPS, City, and Buyer. Approval of this Term Sheet shall provide approval for the execution of all additional Project Documents and instruments necessary to implement the Project.

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