

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

DATE

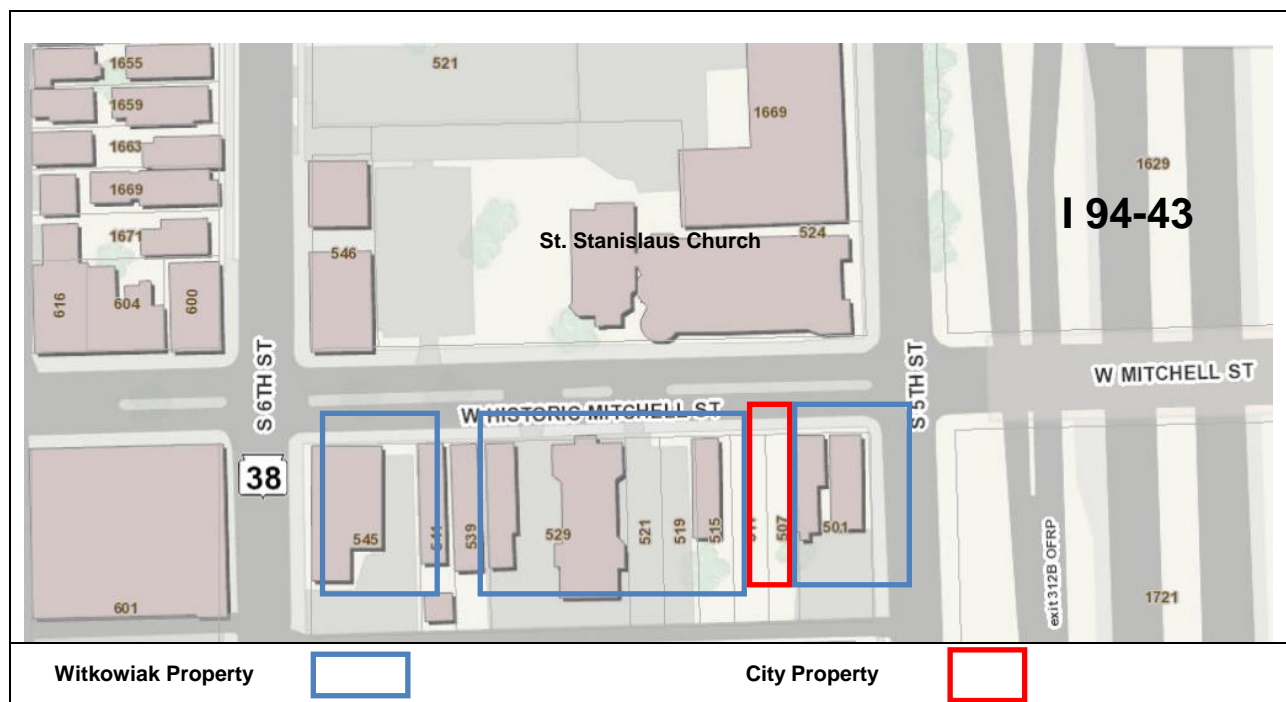
October 11, 2016

RESPONSIBLE STAFF

Yves LaPierre, Department of City Development

PROPERTY

511 West Historic Mitchell Street: A 3,375 square-foot vacant lot. The property was acquired through tax foreclosure in August of 1991.





CITY VACANT LOT AND BUILDING AT 515 WEST HISTORIC MITCHELL STREET TO BE MOVED EAST



PROPOSED NEW OUTDOOR PLAZA, NEW HALL AND RELOCATED AND RENOVATED BUILDING

BUYER

James Witkowiak, owner of the adjacent properties on the 500 block of West Historic Mitchell Street. Mr. Witkowiak has operated a family-owned funeral home directly to the west of the proposed development location. Witkowiak Funeral Home has been serving the community since 1949.

PROPOSED DEVELOPMENT

As part of the development, the existing building at 515 West Historic Mitchell Street will be moved east. This will create space for a new banquet hall to be constructed at the rear of 511-515 West Historic Mitchell Street, along with a plaza and garden fronting the street. The total project budget is estimated at \$450,000 and will be funded with the Buyer's equity and private financing.

OFFER TERMS AND CONDITIONS

The purchase price is \$7,000. A Purchase and Sale Agreement will be executed with the Buyer to outline performance obligations and assure satisfactory compliance through reversion of title power. A Certificate of Occupancy must be provided within eighteen months following closing as evidence of satisfactory redevelopment and conformance with City of Milwaukee ("City") code. The City shall provide the Buyer with its Historic Land Use Investigation, rather than provide an independent Phase I environmental site assessment. 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 expenses and a 30 percent disposition fee payable to the Redevelopment Authority of the City of Milwaukee, shall be credited to the Delinquent Tax Fund.

DUE DILIGENCE CHECKLIST**ADDRESS: 511 WEST HISTORIC MITCHELL STREET**

Market value of the property.	The property is a 3,375 SF vacant lot acquired by the City in 1991 through property tax foreclosure. The property is on West Historic Mitchell Street in the 12th Aldermanic District. The property is being sold "as is, where is," without any guarantees. The sale price for the property is \$7,000 and the price is based on the small size of the parcel and its limited development potential.
Full description of the development project.	James Witkowiak, owner of Witkowiak Funeral Home, will combine the City of Milwaukee parcel to create a development site. Development entails moving and preserving an existing building and the creation of a new banquet hall, with a plaza that fronts on Mitchell Street.
Complete site, operations and scope of work for development.	Please see the Land Disposition Report for details.
Developer's project history.	James Witkowiak has bought and renovated several buildings on this block. Witkowiak owns all of the property on this block, except for one parcel.
Capital structure of the project, including sources, terms and rights for all project funding.	James Witkowiak will fund the project with his 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 renovation of the existing building, new construction and addition of a garden and plaza will increase the value of property on this block of West Historic Mitchell Street.
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. Sale of the City-owned vacant lot will be for a larger development, with a higher taxable value.