

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

DATE

May 31, 2023 – Common Council

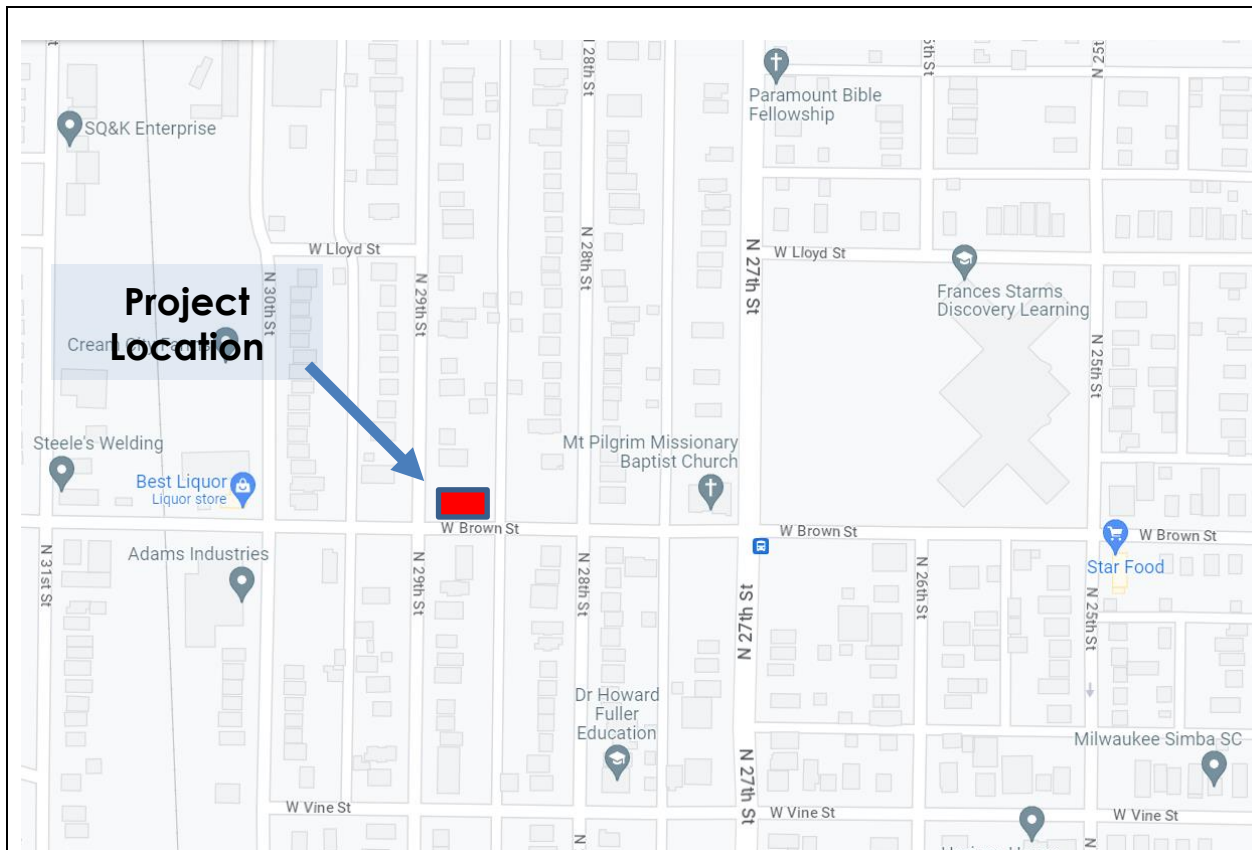
June 13, 2023 – Zoning & Neighborhood Development

RESPONSIBLE STAFF

Yves LaPierre, Real Estate Analyst, Department of City Development ("DCD")

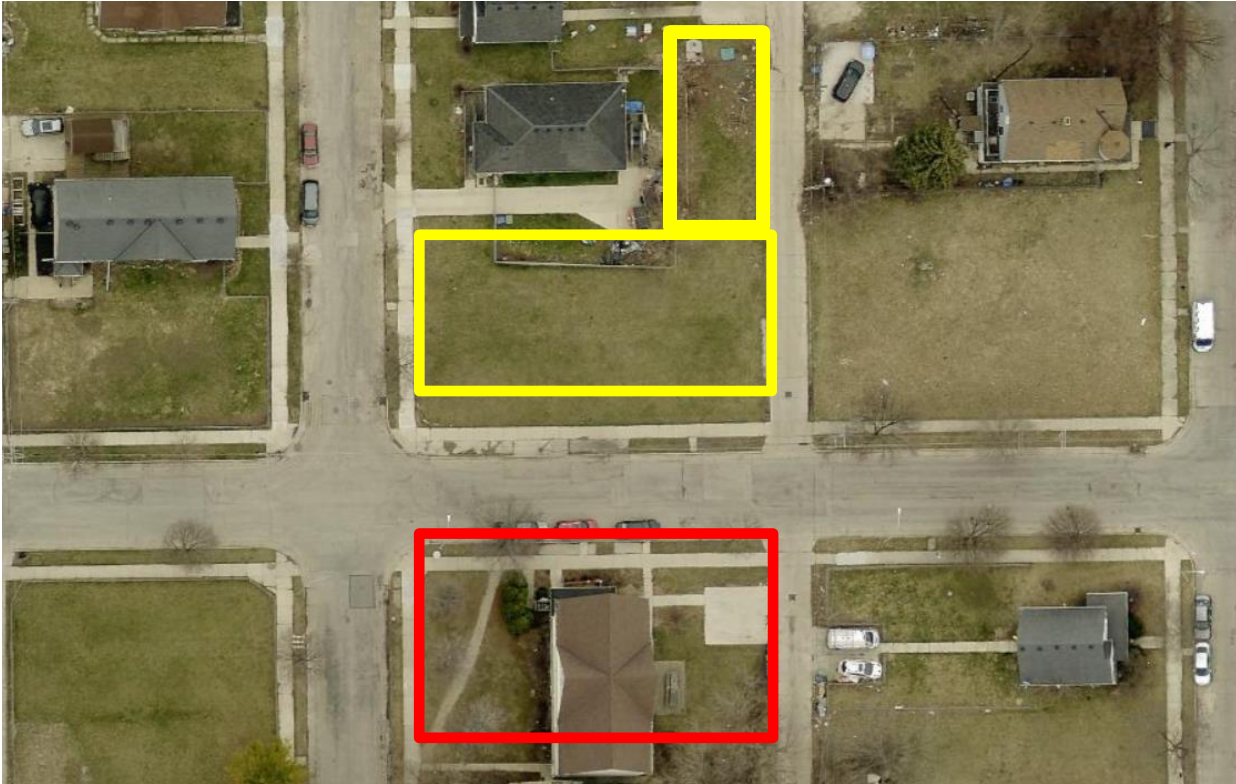
PROJECT AREA

Midtown Neighborhood. Two vacant City of Milwaukee ("City") lots acquired through tax foreclosure.



PARCEL ADDRESSES & DESCRIPTION

2816 West Brown Street and 2830 West Brown Street. Development site consists of two vacant city-owned parcels (the "Property") of 8,200 square feet, zoned RT4. Lots to be combined into one development site.



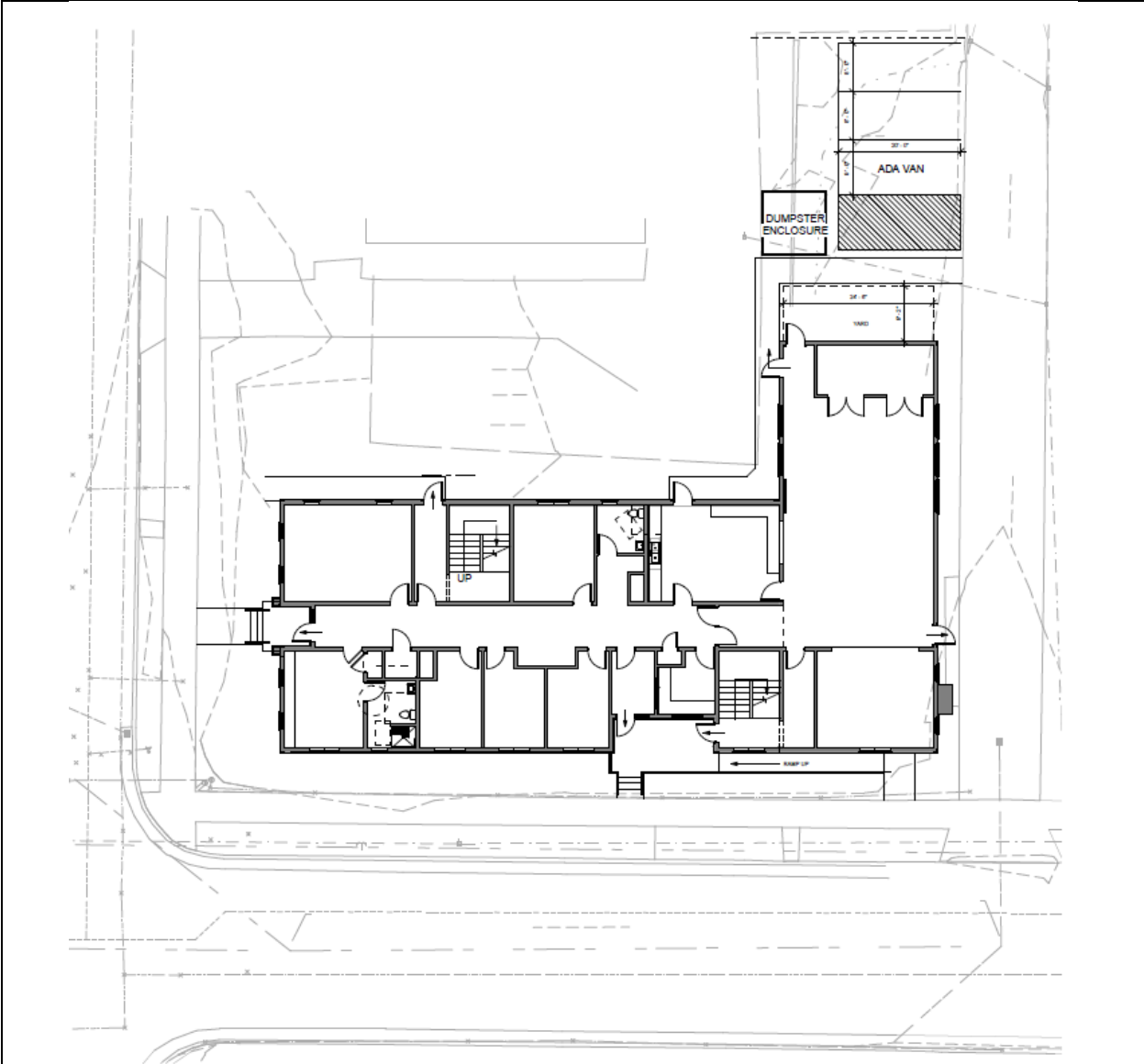
Serenity Inn Existing Facility  City Property 

BUYER

Serenity Inn has a facility across the street at 2825 West Brown Street and will expand with a new facility at this location.

PROJECT DESCRIPTION

Serenity Inn intends to complete construction of a two-story residential treatment facility with eight resident rooms, kitchen, common areas and associated parking and landscaping. The estimated total development cost for the project is approximately \$2,400,000.00. Project will be financed by the Illinois Financial Fund.



NEW FIRST FLOOR PLAN w Site Plan
 A-101 1/8" = 1'-0" TOTAL BUILDING SQUARE FOOTAGE: 11,880

Serenity Inn Site Plan



Proposed Development 29th Street Elevation



Proposed Development Brown Street Elevation

OFFER TERMS AND CONDITIONS

Sales price for the property shall be \$1.00 per lot. City shall convey the Property to Serenity Inn at closing via quit claim deeds in an “as is, where is” condition, with no warranties or representations, express or implied, and with all faults and defects, including environmental and geotechnical conditions, known or unknown. Such provisions shall bar all tort, warranty, and misrepresentation claims including any action based on non-disclosure. Serenity Inn shall be responsible for all closing costs.

Deed will contain a restriction prohibiting the Developer or its successors or assignees from applying to the City for tax-exempt property status. At each closing, the sale proceeds, less all sale and marketing expenses to the Tax Delinquent Fund. At closing, Developer shall pay a performance deposit of \$5,000 to City, to be refunded if Developer meets the respective occupancy certificate date.

City shall have a Retained Reversionary Interest in the Property to guarantee Developer's performance. City's reversionary right is a material provision to the conveyances of the Properties, without which, City would not have entered into this transaction.

DUE DILIGENCE CHECKLIST

ADDRESSES: 2816 WEST BROWN STREET AND 2830 WEST BROWN STREET

Market value of the property.	The property is being sold "as is, where is," without any guarantees. Development of site will create a residential development at a long vacant site. Sales price is \$1.00 and equal to land sale prices to other entities.
Full description of the development project.	Please see Land Disposition Report for full details.
Complete site, operations and scope of work for development.	Please see the Land Disposition Report for details.
Developer's project history.	Serenity Inn is partnering with experienced architects and builders.
Capital structure of the project, including sources, terms and rights for all project funding.	Development is funded with private equity and 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 low risk in selling the vacant lot to Serenity Inn due to its long-standing commitment to the area.
Tax consequences of the project for the City.	Total development will be fully taxable. Former vacant property will be added to City tax rolls.