

LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

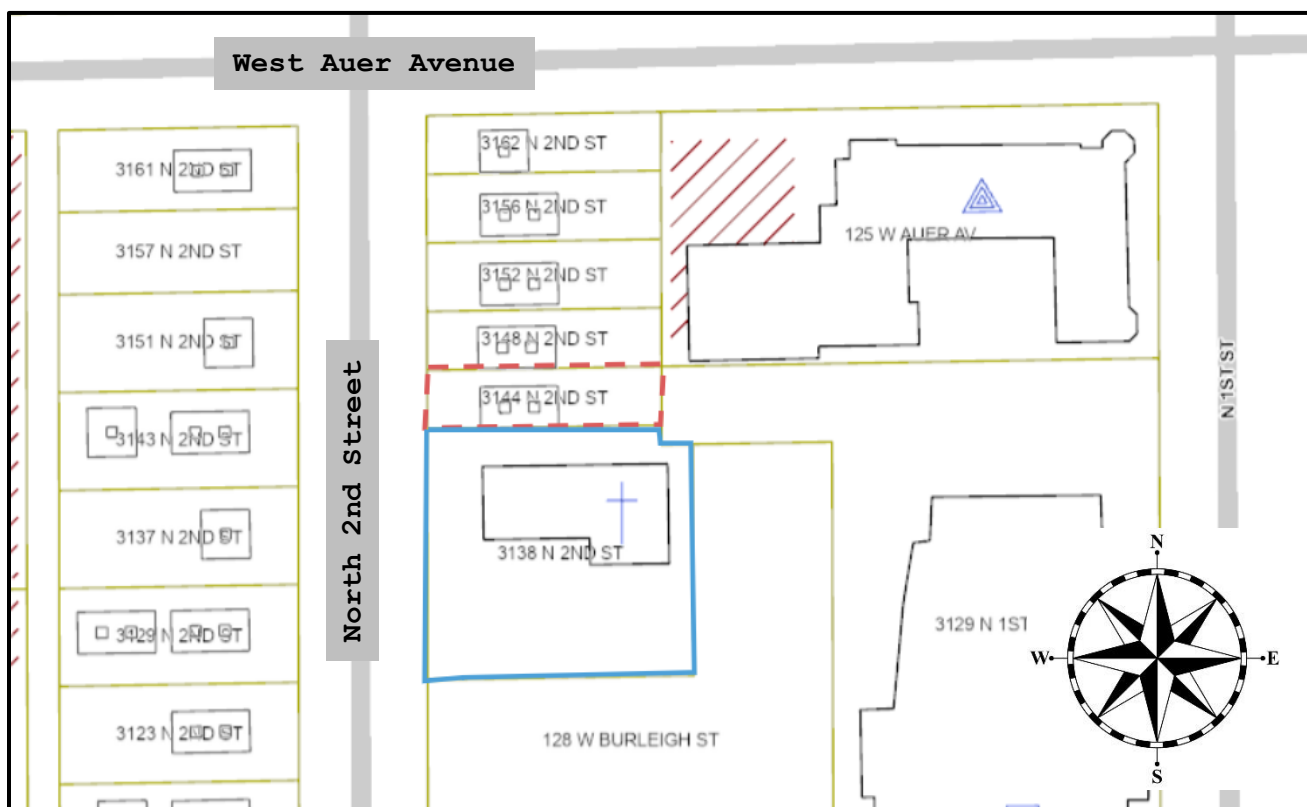
March 25, 2024

RESPONSIBLE STAFF

Amy Turim, Real Estate & Development Manager, Department of City Development

PARCEL ADDRESS & DESCRIPTION

3144-46 North 2nd Street (Parcel Number 2822761000). The structure on the property is a two-unit/duplex property which is 2,2634 square feet in size. It was constructed in 1907, and is situated on a 3,600 square foot lot. The property was acquired by the City of Milwaukee in tax foreclosure in December of 2022. The property is zoned RT4 and is located in Harambee Neighborhood and in the Northeast Area Plan.



Above: St. Bakhita's Property at 3138 North 2nd Street is outlined in blue.
City-owned 3144-46 North 2nd Street is outlined in red-dashed line.

BUYER

St. Bakhita Catholic Worker, Inc., or assignee ("Buyer"). Buyer owns the property immediately to the south of 3144-46 North 2nd Street, where it operates a housing and resource center based on the Catholic Worker Movement. Buyer serves women who are victims of human trafficking and sexual exploitation. The Buyer acquired their property by donation from the Capuchin Ministry in Milwaukee. The Buyer works with the Franciscan Peacemakers to provide wholistic services to the women it serves.

PROJECT DESCRIPTION

Sale of a two-unit/duplex dwelling that is not habitable and significantly vandalized since the City acquired it in tax foreclosure. The City-owned duplex needs \$141,350 in repairs according to the Department of Neighborhood Services Scope. Buyer plans acquire the Property and demolish the structure on the Property at Buyer's sole expense. The Buyer will obtain permits, hire professional contractors and perform all demolition and abatement activities in compliance with all applicable federal, state and local codes, statutes, and ordinances at Buyer's sole expense. The buyer will then re-imagine the site as a healing garden, and provide improvements that will enhance the treatment modalities already provided by the Buyer at its existing building. The Buyer shall be responsible for ensuring that all upgrades and site improvements are performed with permits and in compliance with all applicable federal, state and local codes, statutes, and ordinances at Buyer's sole expense. The properties will be combined by deed, and if necessary, by Certified Survey Map at the Buyer's expense. The buyer is currently exempt, and will be allowed to continue to apply for tax exemption after the parcels are combined.



Above Left: City-owned property at 3144-46 North 2nd Street, prior to being vandalized.

Above Right: St. Bahkita's property at 3138 North 2nd Street, photo courtesy of St. Bahkita's

PURCHASE TERMS AND CONDITIONS

The purchase price will be \$1.00 plus any closing costs, fees and prorations. The conveyance will be on an "as is, where is" basis including all environmental and geotechnical conditions, if any. At closing, subtracted from the sale proceeds will be sales expenses and a 30 percent disposition fee shall be paid to the Redevelopment Authority of the City of Milwaukee; the remaining sale proceeds shall be deposited in the Tax Deficit Fund. The deed of conveyance will include performance restrictive covenants and obligations.

Due Diligence Checklist

Address: 3144-46 North 2nd Street

The Commissioner's assessment of the market value of the property.	<p>A vacant and uninhabitable two-unit/duplex property that qualifies for and requires demolition. The Property was acquired through property tax foreclosure in December of 2022. 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 will be \$1.00 plus any closing costs, fees and prorations.</p>
Full description of the development project.	<p>Buyer will demolish the existing structure at its sole expense in accordance with all applicable federal, state and local laws, codes and ordinances. Buyer will construct a healing garden on the site. The property will assist the Buyer in serving women leaving human trafficking and sex trafficking. The Buyer will be responsible for ensuring properties are properly combined into one parcel.</p>
Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.	<p>Buyer will provide full site plans and landscaping plans to the Department of City Development for review. The buyer will also obtain and close out permits for all of the demolition and construction work.</p>
Developer's development project history.	<p>Buyer owns the property to the south.</p>
Capital structure of the project, including sources, terms and rights for all project funding.	<p>Buyer's expenses are being supported from a generous donation from private foundation. Buyer's firm financing will be verified prior to closing.</p> <p>Buyer will be relieving City of the financial obligation to demolish the structure on the property, and was therefore provided with purchase price consideration.</p>
Project cash flows for the lease term for leased property.	<p>Not Applicable.</p>
List and description of project risk factors.	<p>Performance restrictive covenants will be placed on the deed of conveyance.</p>
Tax consequences of the project for the City.	<p>Since the Buyer will be combining the newly created healing garden with it's existing property, the City of Milwaukee is asking the Common Council for a waiver of MCO 304-49-13, which is the requirement that the sale be taxable. If buyer applies for tax exemption for the combined parcel, and if buyer is successful, then the combined property will be tax exempt.</p>