

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

DATE

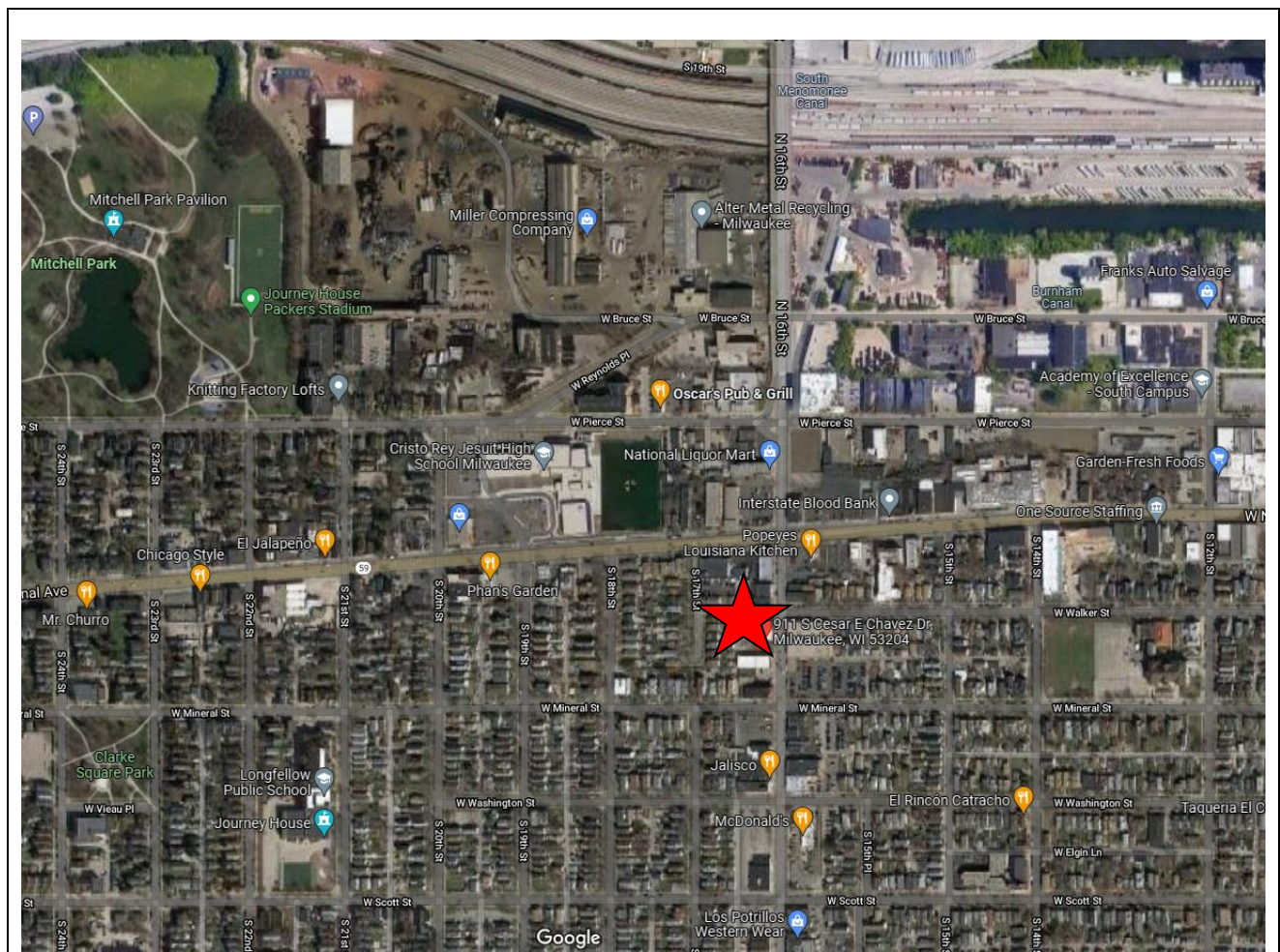
January 18, 2022, Common Council
February 1, 2022, Zoning and Neighborhood Development

RESPONSIBLE STAFF

Yves LaPierre, Program Manager, Department of City Development ("DCD")

PROPERTY

911-915 South Cesar E. Chavez Drive: A City-owned vacant lot acquired through tax foreclosure on August 31, 2018. The lot totals 7,906 square feet and is located in the Clarke Square neighborhood on the Cesar E. Chavez Drive commercial strip.



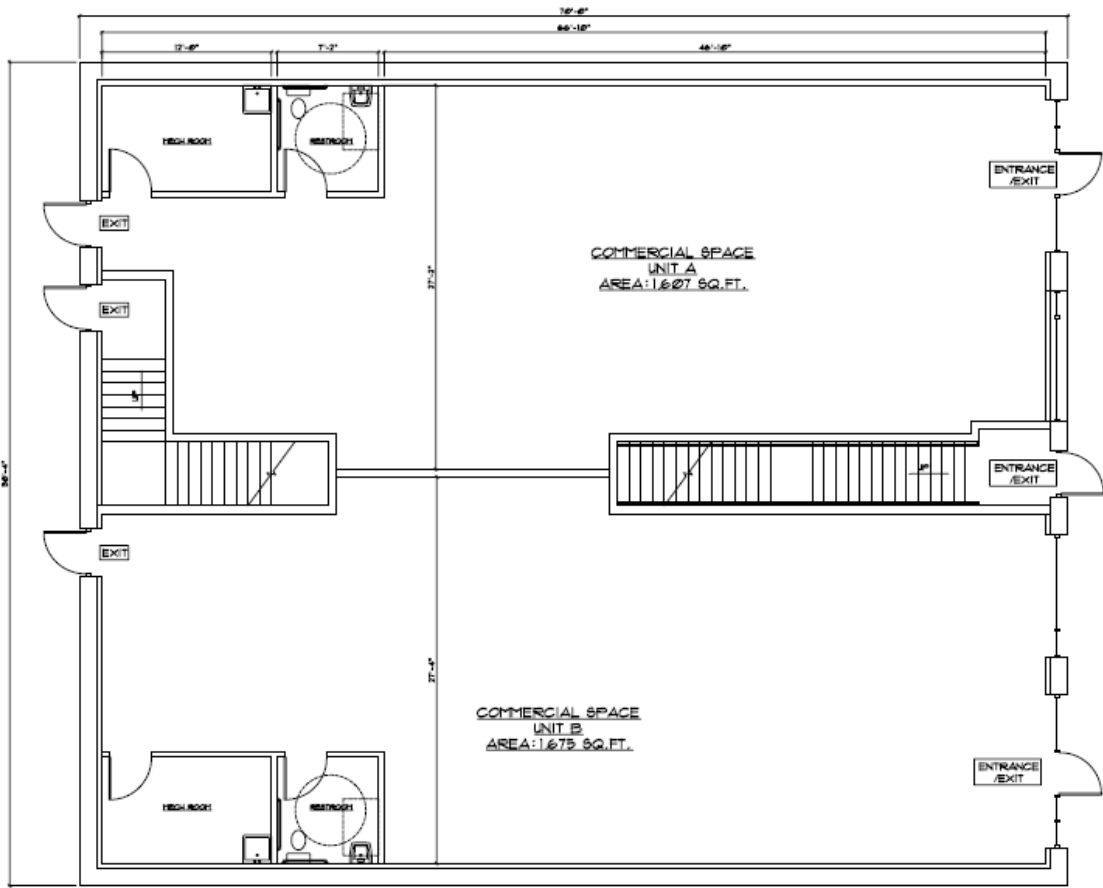
Development site location on Cesar E. Chavez Drive

BUYER

El Rey Properties, LLC ("Buyer"). The property has been marketed since summer of 2021 and El Rey submitted a proposal that was reviewed and accepted by DCD. El Rey has developed numerous residential and business properties in Milwaukee.



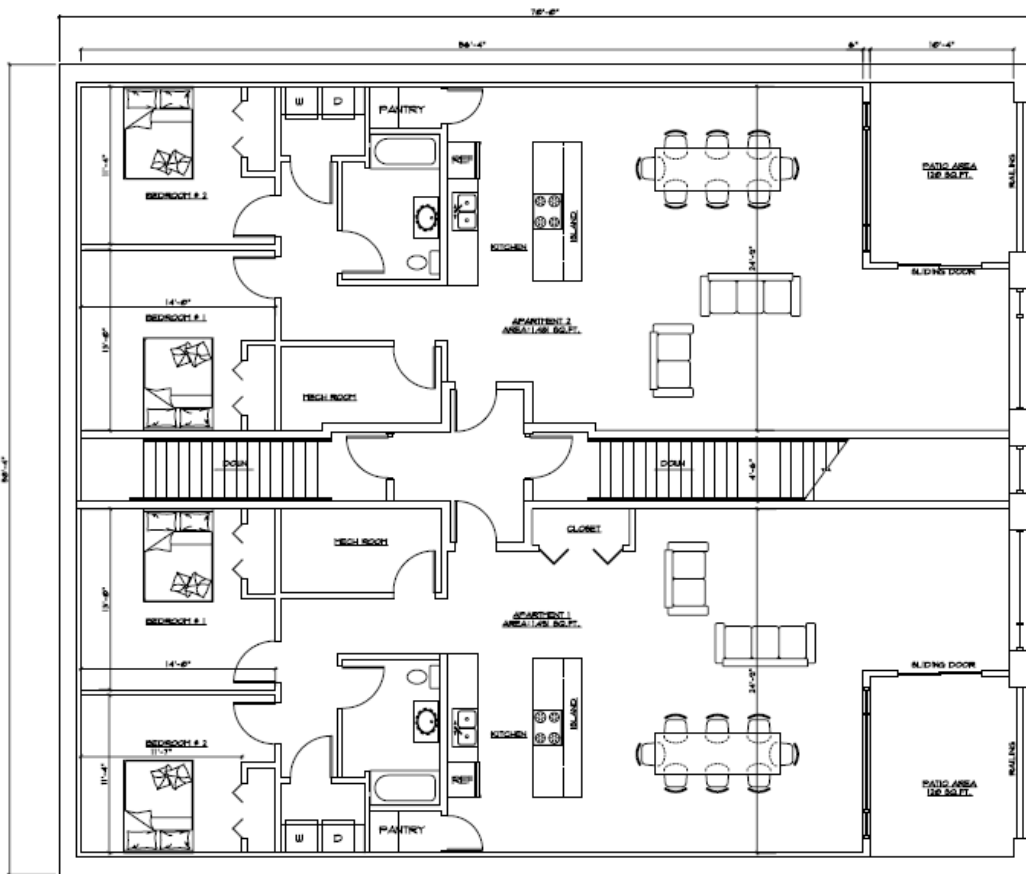
Cesar Chavez Drive Elevations



1 New First Floor Plan
 A-1 Scale: 1/4" = 1'-0"

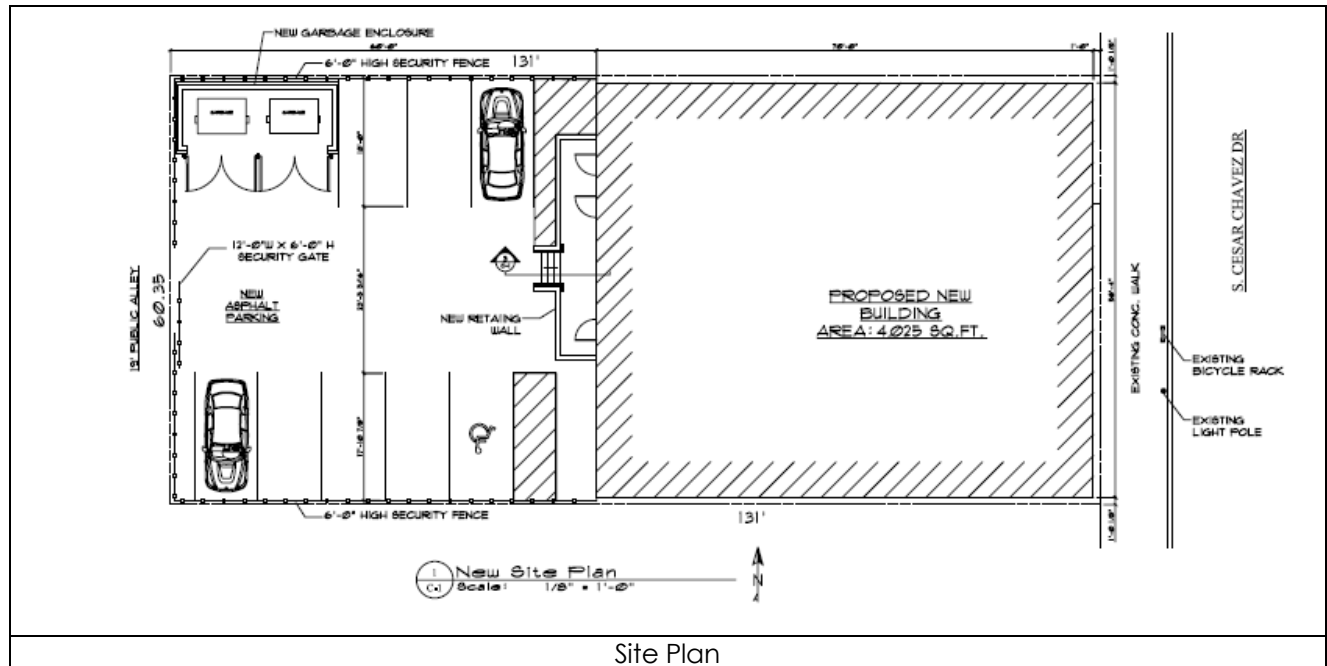


First Floor Plan



1 New Second Floor Plan
 A-2 Scale: 1/4" = 1'-0" N OPTION 1

Second Floor Plan



PROPOSED DEVELOPMENT

Development of a vacant lot with a two-story, mixed-use building with ground floor commercial space, two apartments above and associated parking and landscaping. Project costs are estimated at \$805,000.00. The project will be financed with the Buyer's equity and private financing. BMR Design Group are the designers of the project.

OFFER TERMS AND CONDITIONS

The purchase price is \$29,000. 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 \$5,000 performance deposit will be required. Conveyance will be by quit claim deed on an "as is, where is" basis, with a deed restriction prohibiting tax-exempt status. A Certificate of Code Compliance must be provided within eighteen months following the closing as evidence of satisfactory redevelopment and conformance with City of Milwaukee code. The sale proceeds, less sale and marketing expenses and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee, shall be credited to the Delinquent Tax Fund.

DUE DILIGENCE CHECKLIST**ADDRESS: 911-915 SOUTH CESAR E. CHAVEZ DRIVE:**

Market value of the property.	City-owned vacant lot acquired through tax foreclosure in 2013. The lot totals 7,906 square feet. The property is being sold "as is, where is," without any guarantees. The \$29,000 sales price is based on assessment records and appraisal of comparable properties.
Full description of the development project.	Development of a two-story, mixed-use building with ground floor commercial and two apartments above along with associated parking and landscaping.
Complete site, operations and scope of work for development.	Please see the Land Disposition Report for details.
Developer's project history.	El Rey Properties, LLC is a well-established business with experience in real estate development in Milwaukee.
Capital structure of the project, including sources, terms and rights for all project funding.	Project will be funded with the developer's equity and private financing.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	DCD staff determined that there is low risk in selling the property to the Buyer, based on the experience of its development team.
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, formerly vacant, tax-exempt property will be returned to the property tax rolls.