

## **LAND DISPOSITION REPORT**

### **COMMON COUNCIL OF THE CITY OF MILWAUKEE**

#### **DATE**

March 8, 2022

March 17, 2022, Redevelopment Authority of the City of Milwaukee ("RACM")

April 12, 2022, Zoning and Neighborhood Development

#### **RESPONSIBLE STAFF**

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

#### **BUYER**

Maures Development Group LLC or assigns ("Developer"). Melissa Nicole Allen (formerly Goins) is the President and Founder of Maures Development Group LLC, a real estate development firm established in 2006. She holds an MBA from Marquette University and a MS in Community Psychology from Alverno College. Both support Melissa's inspired life's work focused on revitalizing urban neighborhoods and communities through residential and commercial development. Developer has fostered more than \$80 million of investment in the city of Milwaukee. The firm was established on the principle of leveraging bricks and mortar to lift the pride and hope found in her beloved communities. Melissa is also an adjunct professor at Marquette University and Alverno College, and a therapist serving clients at Children's Wisconsin. She is a visionary and community-minded professional with a passion at the intersection of social impact and business.

The Developer's past projects include renovation of scattered site tax foreclosed properties, new construction, and adaptive reuse of properties. Previous projects include:

- Teutonia Gardens, a mixed use building with 24 apartments
- Heart & Hope Place, a mixed use building with 24 apartments
- Franklin Square, a mixed use development with 37 apartments
- Century City Lofts, a residential development with 37 apartments
- Lindsay NSP and SoHi Lofts, a scattered site development with 40 units total
- Milwaukee Prosperity, a scattered site development with 35 units in the Harambee and Lindsay Heights areas
- Historic Garfield and Griot Apartments, a mixed use development in the Bronzeville neighborhood, which includes 71 apartments and the new home of America's Black Holocaust Museum
- Fortitude Apartments, a mixed use development with 65 housing units and the new home of the Good Hope Road Library

#### **PROJECT DESCRIPTION**

The Developer proposes to purchase approximately 17 City-owned, tax foreclosed properties ("Properties") to complete a scattered site housing development in the Harambee neighborhood in the 6th Aldermanic District. Project is collectively called Bronzeville Estates. The Developer has been awarded Low Income Housing Tax Credits ("LIHTC") to finance the construction and rehabilitation of the Properties. This project will create new construction affordable housing and commercial space and rehabilitate severely distressed housed and commercial buildings, providing quality rental opportunities for the community.

**SALES TERMS AND CONDITIONS**

The City-owned properties will be sold "as-is, where-is" for \$1.00 per parcel. Developer will pay title costs, recording costs, and register the parcels under the DNS owner and vacant building registry programs. Developer will pay broker commissions where due. Developer will be responsible for biweekly monitoring of the properties during the period of site control, and reporting all issues to the Department of City Development ("DCD"). DCD will have final design review of all proposed new construction homes and commercial buildings.

Sales price for the RACM Property shall be \$45,000.00 for the building site at 1940-48 North Dr. Martin Luther King Jr. Drive. Sales price for the RACM site and building at 540 West North Avenue will be \$52,000.00. City of Milwaukee ("City") and RACM shall convey the Properties to Developer 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. No additional environmental investigation shall be conducted by City or RACM, but City or RACM will provide results of any environmental investigations previously conducted on the Properties. Sales prices may be adjusted should unknown environmental or geotech issues be discovered. Developer shall be responsible for all closing costs.

Deeds 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 RACM General Fund. At closing, Developer shall pay a performance deposit of \$5,000 to RACM, to be refunded if Developer meets the respective occupancy certificate date for full project.

In the event any of the lots identified in the Land Disposition Report are not suitable for new home construction or if the City acquires additional lots in the target area that are more suitable for new home construction, lots may be added, returned or substituted without further action of the Common Council of the City of Milwaukee ("Common Council") upon approval of the Commissioner of DCD and the local member of the Common Council.

City and RACM shall have a Retained Reversionary Interest in the Properties to guarantee Developer's performance. City and RACM's reversionary right is a material provision to the conveyances of the Properties, without which, City nor RACM would not have entered into this transaction.

If Buyer receives City financial assistance, then the Buyer may be required to comply with the Anti-Displacement Neighborhood Preference Policy in Common Council File No. 190401 since the Properties are located in the 53212 zip code and the project contemplates at least 20 affordable housing units.

## PROPERTY SELECTIONS



Above: 2421 North 6th Street



Above: 2946 North 6th Street



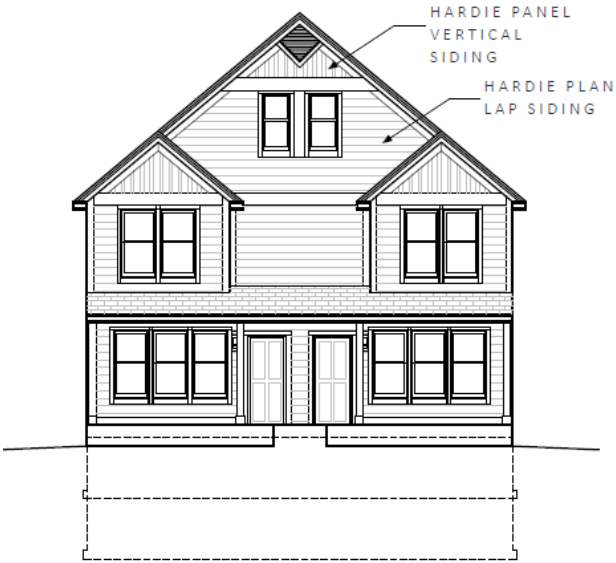
Above: 629-31 West Clarke Street

### CITY OWNED IMPROVED PROPERTIES FOR RENOVATION

8 PROPERTIES, 11 UNITS

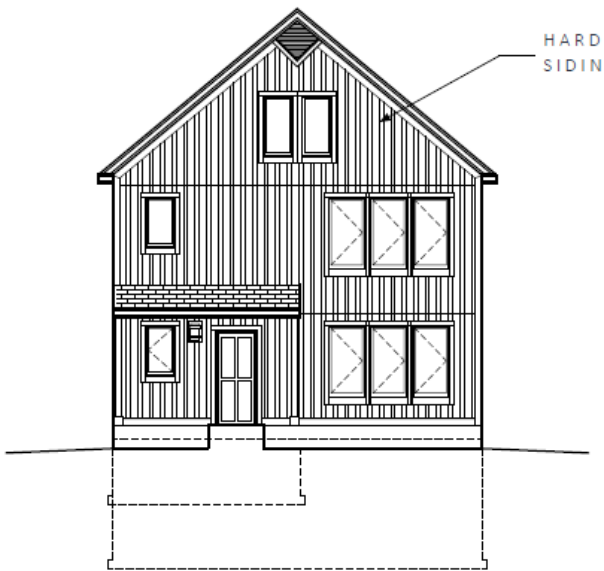
Duplex	2421 North 6th Street
Single Family	2633 North 5th Street
Duplex	2912 North 6th Street
Single Family	2921 North 6th Street
Single Family	2427 North Teutonia Avenue
Duplex	629-31 West Clarke Street
Single Family	2946 North 6th Street
Single Family	2948 North 7th Street

PROPERTY SELECTIONS



FRONT ELEVATION

New Construction Duplex



New Construction Single Family

CITY AND RACM OWNED VACANT LAND FOR NEW CONSTRUCTION

6 PROPERTIES, ESTIMATED 10 UNITS

2369 North 5th Street
2528-30 North 5th Street
2523 North 6th Street
2433 North 6th Street
2354 North 6th Street
RACM Property-
2326 North 5th Street

## **RACM OWNED PROPERTY**



**MIXED USE COMMERCIAL RENOVATION – 540 WEST NORTH AVENUE**

**RACM-OWNED PROPERTY – NEW MIXED USE CONSTRUCTION**



**BUILDING SITE COMPOSED OF FOUR VACANT LOTS AT 1940, 1944 & 1948  
NORTH DR. MARTIN LUTHER KING JR. DRIVE AND 227 WEST BROWN STREET**

## Due Diligence Checklist - Maures Development Group LLC, Bronzeville Estates

Market value of the property.	Vacant lots and existing houses to be sold for \$1 per site for new home construction and renovation of existing homes. One commercial building site to be sold for \$45,000.00 and one commercial structure to be sold for \$52,000.00 – sales prices based on appraisal and assessment of area properties.
Full description of the development project.	Please see Land Disposition Report for details.
Complete site, operations and scope of work for development.	Please see Land Disposition Report for details.
Developer's project history.	Developer has extensive experience in project development in Milwaukee. Please see the Land Disposition Report for details.
Capital structure of the project, including sources, terms and rights for all project funding.	Developer will fund project with tax credits, grants 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 Developer, based on the Developer's track record developing previous projects in Milwaukee.
Tax consequences of the project for the City.	The deed of conveyance will contain a restriction prohibiting the Developer, its assignee or its successors from applying to the City for tax-exempt property status. Development of City land with new homes will greatly increase taxable value of property.