

LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

March 24, 2022

RESPONSIBLE STAFF

Rhonda Szallai, Real Estate Specialist, Department of City Development ("DCD")

PARCEL ADDRESS AND DESCRIPTION

Former Fletcher Elementary School, 9500 West Allyn Street and 9102 North 96th Street ("Property"), is a 60,754 square foot one-story school building built in 1973 on an 8.94-acre site. The Property has been vacant since 2009 and was determined underutilized in 2015. The Property was listed as Surplus on Milwaukee Public Schools ("MPS") Inventory of School Buildings in 2017. Under the requirements imposed by Section 119.61, Wisconsin Statutes, the Property was made available for sale to education operators only for a two-year period that began on January 27, 2016 ending in January 2018. During that period, three Letters of Interest were received to view the school and none chose to make a proposal to purchase the Property. The Property was then listed for sale for adaptive re-use in July 2018. Only one Proposal was received in 2019 and that sale failed to materialize. The Property was relisted in January of 2021. Proposals were received and evaluated on a continuous basis.





BUYER AND PROJECT DESCRIPTION

Synergy Development Group, LLC (the "Buyer") proposes to purchase and renovate the existing school building for use as a school.

Greater Holy Temple Christian Academy ("GHTCA") will be the sole tenant. They currently lease space from MPS at 5575 North 76th Street. Synergy Development Group, LLC will be sole owner.

Phase I of the project will renovate the existing school building and obtain a certificate of occupancy by August 2023. Phase II of the project will construct a new building on site for an Early Learning Academy along with new parking, community lighted basketball court, and new playground areas.

Building and site plans will require DCD Planning review and approval. During Phase II – rezoning may be required for the new construction and site improvements.

The Buyer will partner with Korb & Associates, Catalyst Construction, and Chaput Land Surveyors. Community Partners include Marquette Dental, Milwaukee Health Department, Social X MKE, and Concordia University.

Proposed permanent jobs to be located at the property upon full occupancy will consist of 80 full time and 10 part time. Titles of jobs include Teacher, Administrator, Counselor, Psychologist, Janitorial Staff, Teacher Aide, Administrative Support Staff, Grounds Supervisor and Maintenance Supervisor.

Project funding will utilize private equity, private financing and no City funding.

PHASE II SITE PLAN



PHASE II – EARLY LEARNING ACADEMY CONCEPTUAL RENDERING



PURCHASE TERMS AND CONDITIONS

The purchase price will be \$500,000 and the scope of work is estimated at \$5.3 million. Conveyance is on an “as is, where is” basis, including all known and unknown environmental and geotechnical conditions.

The Buyer contingencies are:

- All City and State approvals required to operate a school in the renovated school building.
- Obtaining DCD approval of building and site plans.

The terms of the sale will include:

- Buyer to execute a Purchase and Sale Agreement by June 30, 2022.

- No performance deposit will be required.
- Receive a building permit and a Certificate of Occupancy by August 30, 2023.
- A zoning change may be required during Phase II, after closing at Buyer's expense.
- Buyer obtaining all City and State approvals to operate a school in the renovated school building.
- Present evidence of full project funding/financing prior to closing.
- Close on the purchase by August 30, 2022.
- Complete the renovations within 12 months after the closing date.
- A Reversionary clause.
- The Property must be taxable for property tax purposes and no owner or occupant of the Property shall apply for, or seek, or accept, property tax exemption for the Property or any part thereof. This will be a deed restriction that shall be a permanent covenant that runs with the land and may only be released by a resolution passed by the City of Milwaukee's Common Council by a 2/3 vote and recording by the City as a Release of Restriction with the Milwaukee Register of Deeds.
- Conveyance to another will be prohibited before obtaining the Certificate of Occupancy for school use.
- Deed will join the two tax parcels into one parcel.
- Buyer to provide a copy of the signed lease with its sole tenant, GHTCA, prior to closing.
- The conveyance will be on an "as is, where is" basis, with no warranties or representations, express or implied, and with all faults and defects, including all environmental and geotechnical conditions, know or unknown. Such provisions shall bar all tort, warranty and misrepresentation claims, including any action based on non-disclosure.

At closing sales proceeds, less sales expenses, shall be deposited in the MPS Operations Fund.