

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

DATE

March 1, 2017

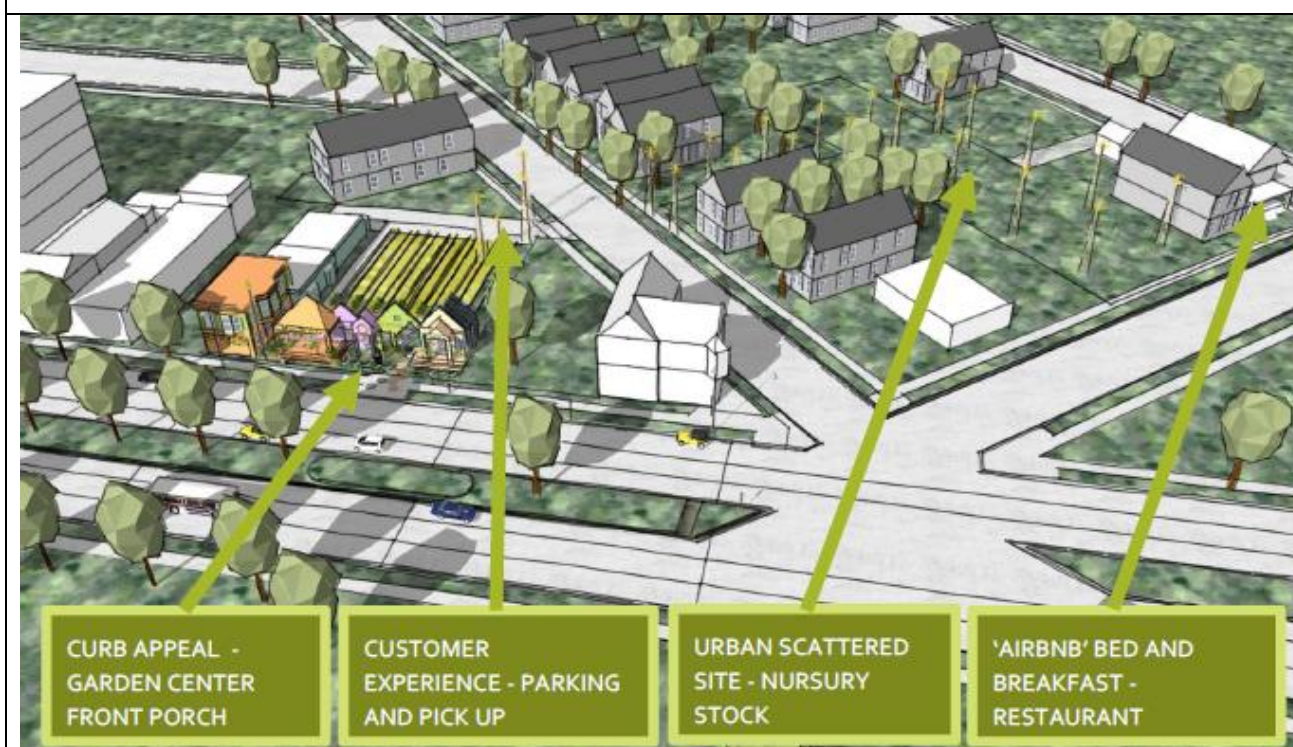
RESPONSIBLE STAFF

Yves LaPierre, Program Manager, Department of City Development

PROPERTIES

1826 West Fond du Lac Avenue, 2135 North 18th Street and 2122 North 18th Street: Three City-owned vacant lots acquired through tax foreclosure in 2012, 1990 and 2012, respectively. The lots total 10,360 square feet and are located in the Lindsay Heights neighborhood.





Adams Garden Park, LLC – Urban Garden Park Concept

BUYER

Adams Garden Park, LLC, will be developed by Sharon and Larry Adams and their development team. Sharon Adams is the founder of Walnut Way Conservation Corps., which is dedicated to revitalizing the area surrounding North Avenue and 17th Street. Sharon and Larry Adams have been active in revitalizing the Lindsay Heights neighborhood for decades. The most recent project is

Wellness Commons, a multi-million dollar health and wellness development at 16th Street and North Avenue developed in partnership with Juli Kaufmann of Fix Development.

PROPOSED DEVELOPMENT

The City property at 1826 West Fond du Lac Avenue will be combined with the adjacent property at 1834 West Fond du Lac Avenue to create the Urban Garden Park. The two residential lots will be used as urban gardens to support the Urban Garden Park.

Adams Garden Park will be designed as an urban oasis that is tailored primarily to urban dwellers in the immediate and downtown communities. The garden center will showcase strategies for urban gardening and beautifying urban spaces such as porches and balconies. The retail operation will feature unique and specialty items made by local artisans and manufacturers.

The garden center also will feature a full range of annual, perennial and stock plants. Landscaping services and delivery options will be offered. The center also will feature scattered sites for garden exploration along with more formal gathering areas that can be used by the community. Future phases may include a café component and a B&B.

OFFER TERMS AND CONDITIONS

The purchase price is \$500. A Purchase and Sale Agreement will be executed with Adams Garden Park LLC to outline performance obligations and assure satisfactory compliance through reversion of title power. 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. Conveyance will be by quit claim deed on an "as is, where is" basis, with a deed restriction prohibiting tax-exempt status. The sale proceeds, less sale 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**ADDRESSES: 1826 WEST FOND DU LAC AVENUE, 2135 NORTH 18TH STREET AND 2122 NORTH 18TH STREET**

Market value of the property.	1826 West Fond du Lac Avenue, 2135 North 18th Street and 2122 North 18th Street: Three City-owned vacant lots acquired through tax foreclosure in 2012, 1990 and 2012, respectively. The lots total 10,360 square feet. The properties are being sold "as is, where is," without any guarantees. The \$500 sales price is based on similar sales of City-owned vacant lots to adjoining businesses.
Full description of the development project.	Development of an urban garden park on foreclosed and blighted properties. Project will serve as a demonstration site for urban gardening and as a retail garden center serving the immediate neighborhood along with commuters to and from downtown along Fond du Lac Avenue.
Complete site, operations and scope of work for development.	Please see the Land Disposition Report for details.
Developer's project history.	Juli Kaufmann of Fix Development is partnering with Sharon and Larry Adams, formerly of Walnut Way. Juli Kaufmann has been part of many development teams with success at multiple Walker's Point projects, including 602 South 3 rd Street (Fix Development office); 130 West Bruce Street (Clock Shadow building); and 205 South 2 nd Street (Purple Door Ice Cream building). Also, she successfully co-developed Phase I of Wellness Commons and is currently developing a separate project at 1848 West Fond du Lac Avenue, a former City-owned tax foreclosure known as the Wally Schmidt Tavern that opened in the Fall of 2016.
Capital structure of the project, including sources, terms and rights for all project funding.	Project funding will be headed by Sharon and Larry Adams and their project team. Project will seek to maximize philanthropic support and community ownership. A partnership with Wisconsin Preservation Fund will allow charitable contributions. Equity will be raised from the Project Team, Angel Investors and neighborhood crowd-sourcing. Employment funds will be pursued to assist in worker training and operations.
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 properties to Adams Garden Park LLC, based on the experience of its development team and committed funds. The principals behind Adams Garden Park have been a stabilizing force in the neighborhood and this project will catalyze more development in the area.
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 properties will be returned to the property tax rolls.