

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

DATE

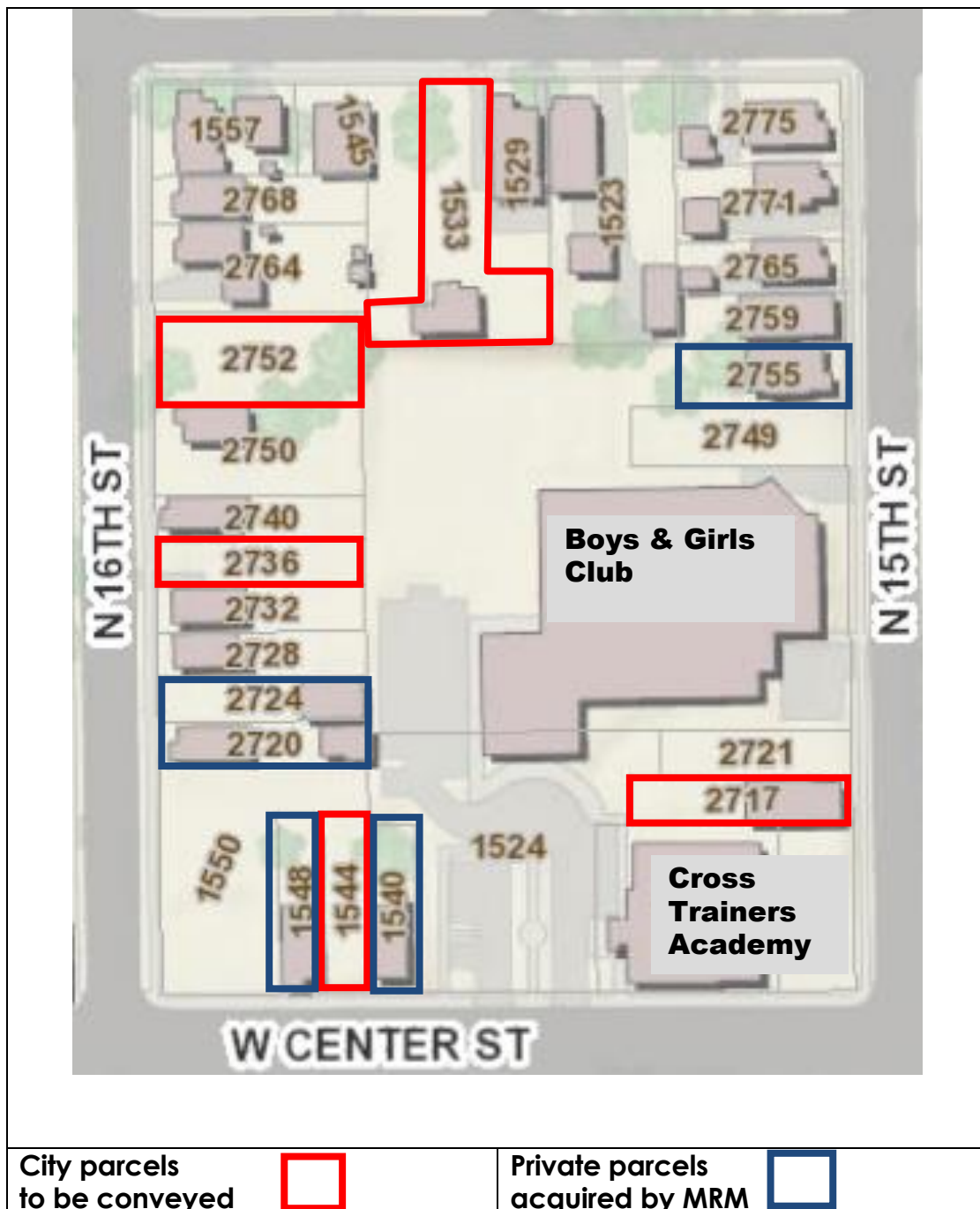
March 28, 2017

RESPONSIBLE STAFF

Yves LaPierre, Program Manager, Department of City Development

PROPERTIES

1544 West Center Street, 2717 North 15th Street, 1533 West Hadley Street, 2752 North 16th Street and 2736 North 16th Street: Five City-owned vacant lots acquired through tax foreclosure. The lots total 31,075 square feet and are located in the North Division neighborhood.



BUYER

The Milwaukee Rescue Mission ("MRM"), which expanded in 2015 to include facilities at the corner of West Center Street and North 15th Street. MRM operates its Cross Trainers Academy and Child Enrichment Center from this location. The Cross Trainers Academy is a Choice school and currently serves approximately 200 students from pre-kindergarten through ninth grade. The Child Enrichment Center offers day-care for children ages four weeks to four years old.

MRM's main campus is located at North 19th Street and West Wells Street. MRM has provided services to the Milwaukee homeless population and persons facing economic hardship since 1893.

**PROPOSED DEVELOPMENT**

MRM is proposing to expand its Cross Trainers Academy facility with a new building, parking areas and play fields. The development will be accomplished in two phases. The first phase will be the construction of parking facilities to accommodate both staff and clients. Phase two of the development will join two existing structures, connecting the Cross Trainers Academy building facing Center Street with the former Boys and Girls Club building to the north, currently used by MRM for its programs. This addition will unite the campus, creating one facility to accommodate the MRM school and day-care programs currently operated at this location. The subsequent

phases will add playfields and additional parking on the conveyed City-owned and private properties. Building and site design is by Plunkett Raysich Architects, and construction will be by Catalyst Construction.



OVERALL VIEW FROM CENTER STREET



OVERALL VIEW FROM 15TH AND CENTER STREET

OFFER TERMS AND CONDITIONS

The purchase price is \$500 per lot, for five lots. The total purchase price for the City parcels is \$2,500. A Purchase and Sale Agreement will be executed with MRM to outline performance obligations and assure satisfactory compliance through reversion of title power. The Purchase and Sale Agreement also will require execution of a Small Business Enterprise Agreement and a PILOT agreement, based on the value of the City parcels to be conveyed. 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 ("City") code. Conveyance will be by quit claim deed on an "as is, where is" basis. 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**MILWAUKEE RESCUE MISSION DEVELOPMENT AT WEST CENTER STREET AND NORTH 15TH STREET**

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| Market value of the property. | Five City-owned vacant lots acquired through tax foreclosure. The lots total 31,075 square feet. The properties are being sold "as is, where is," without any guarantees. The \$500 per lot sales price is based on similar sales of City-owned vacant lots to adjoining businesses. The total purchase price is \$2,500. |
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| Full description of the development project. | Development of a new building, parking and play facilities to support the Milwaukee Rescue Mission's school and day-care facilities. |
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| Complete site, operations and scope of work for development. | Please see the Land Disposition Report for details. |
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| Developer's project history. | The Milwaukee Rescue Mission bought and renovated the former University of Wisconsin Normal School building at 19th and Wells in 1983 as its main campus. This historic property underwent over \$10 million in renovations. The Milwaukee Rescue Mission purchased its building at 15th and Center in 2015 to accommodate its school and day-care. |
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| Capital structure of the project, including sources, terms and rights for all project funding. | Development is funded with private equity, financing and grants. |
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| Project cash flows for the lease term for leased property. | Not applicable. |
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| List and description of project risk factors. | Department of City Development staff determined that there is low risk in selling the scattered residential vacant lots on the block bound by 15th and Center, due to their low value and low development potential. Walnut Way and Wellness Commons have been a stabilizing force in the neighborhood and this project will catalyze more development in the area. Milwaukee Rescue Mission has a strong record of fiscal stability and successful development projects. |
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| Tax consequences of the project for the City. | Milwaukee Rescue Mission has agreed to enter into a Payment in Lieu of Taxes (PILOT) agreement with the City. Thus, the City will be compensated for formerly vacant, tax-exempt properties. |