

Land Disposition Report

Common Council of the City of Milwaukee

Date

February 21, 2018

Responsible Staff

Rhonda Szallai, DCD – Real Estate Staff

Parcel Address and Description

Former Centro del Nino School, 500 East Center Street (the “Property”). Property consists of a 7,980 SF school building constructed in 1927 as the Holton State Bank. The building was remodeled in the 1990’s for MPS Head Start program use. It sits on a 20,520 SF site. The Property has been vacant since 2005 and was declared surplus by MPS in 2012. Under the requirements imposed by State Statute §119.61, the Property was made available for sale to education operators only for a two-year period that ended in July 2017. The Property was listed for sale to non-education operators in July 2017.





Buyer

RiverBee LLC (“Buyer”) proposes to purchase and renovate the Property as Cream City Hostel. Juli Kaufmann, experienced real estate developer, is partnering with local neighborhood leader and business owner, Carolyn Weber.

Juli Kaufmann of Fix Development has a proven track record of success through projects such as the Clock Shadow Building at 130 West Bruce Street in 2012 in Walker’s Point; the Tandem Restaurant at 1848-50 West Fond du Lac Avenue in 2016 located in Lindsay Heights; and the Sherman Phoenix currently underway at 3536 West Fond du Lac Avenue in the Sherman Park neighborhood.

Project Description

Cream City Hostel will provide 41 beds in one, three and six dorm-style bunk bed rooms. Accommodations include common community rooms, bathrooms, kitchen, laundry, secured bike storage and information services. In addition to the core hostel business, the site lends itself to seasonal, value-added and complementary opportunities. The Buyer will pursue additional use as a community space, gallery space for local artists, summer pop-up truck space and large outdoor gathering space to curate local events open to guests and the public. The RiverBee/Cream City Hostel will elevate the Riverwest and Harambee neighborhoods as tourist destinations, by delivering a unique traveler experience not currently available in the Milwaukee market, bring visitors that will support local neighborhood businesses and improve the local economy.

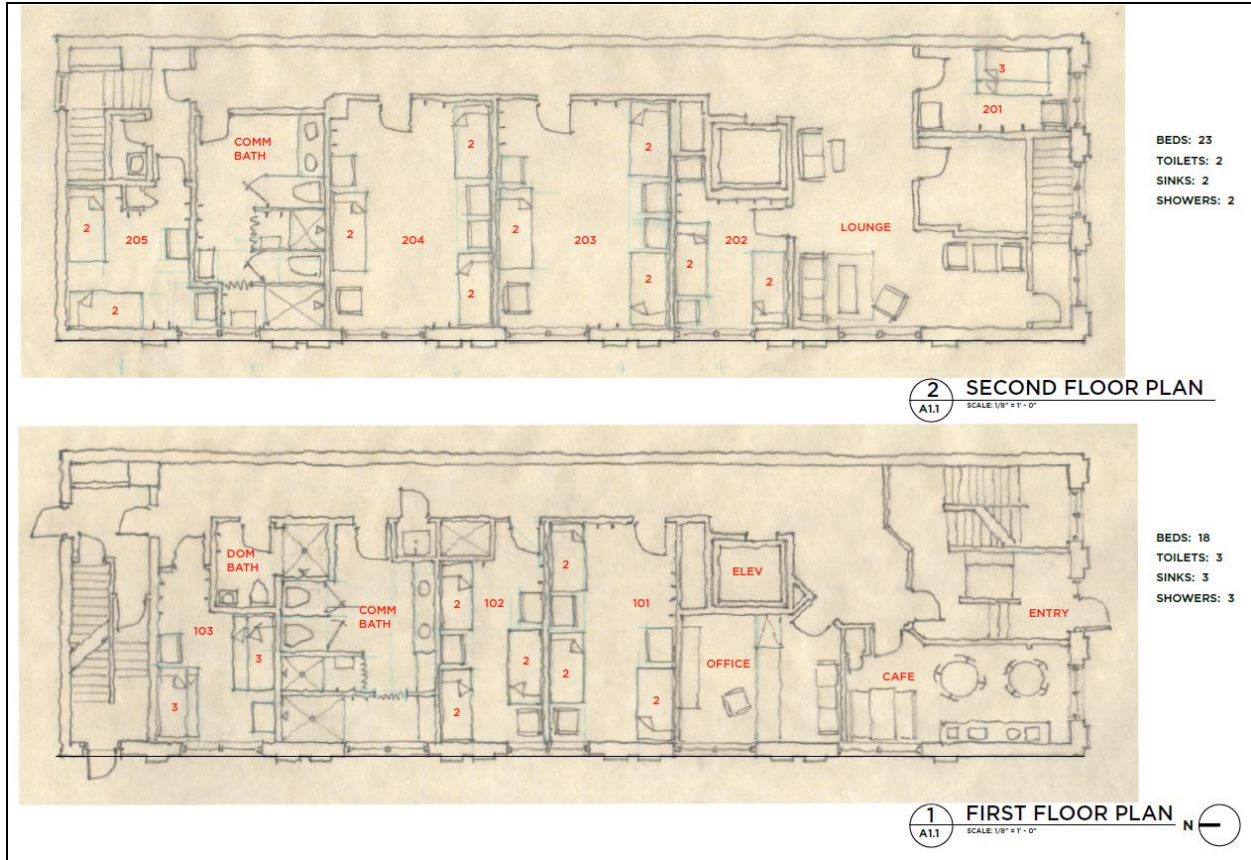
Total investment is estimated at \$875,000. The Buyer is utilizing conventional financing and will invite crowd-funded investors to participate, including neighborhood residents. The Buyer projects completion of the project prior to summer 2018.

The hostel will create two full-time jobs and two part-time jobs, along with potential to engage interns from MPS school programs and local technical colleges.

The project will preserve and renovate the exterior of the building by maintaining all of the historic elements as possible. Security and lighting will be installed along with a card access system. A new asphalt parking surface will be installed to accommodate up to five guest parking spots. Bike parking

also will be provided under a covered, secured shelter. All site and landscaping will require DCD approval.

The Property is zoned LB2 and will be fully taxable.



Purchase Terms and Conditions

The purchase price is \$150,000. Conveyance is on an "as is, where is" basis, including all environmental and geotechnical conditions, if any.

At closing, sales expenses will be subtracted from the sale proceeds. The remaining sale proceeds shall be deposited in the Milwaukee Public Schools Operations Fund.

The deed of conveyance will contain restrictive covenants for performance, prohibitions for tax exemption, liquor license (except for restaurant with significant food component) and certain uses and reversion of title provision for non-compliance.