



Legislation Text

File #: 171100, Version: 1

171100
SUBSTITUTE 1

ALD. STAMPER

Substitute resolution relating to the sale of the surplus Milwaukee Public Schools property at 2442 North 20th Street, in the 15th Aldermanic District.

This substitute resolution approves the sale of the former Phillis Wheatley Elementary School, 2442 North 20th Street, to Royal Capital Group LLC for redevelopment as multi-family housing.

Whereas, Phillis Wheatley Elementary School, 2442 North 20th Street (the "Property"), was declared surplus by the Milwaukee Board of School Directors in 2015; and

Whereas, In accordance with the requirements imposed by Wisconsin Statutes Section 119.61, the Property was listed for sale to education operators only for a two-year period that ended in July 2017; and

Whereas, No education operator purchased the Property during that two-year period; and

Whereas, In accordance with Wisconsin Statutes Section 119.61, a Request for Proposal offering the Property for sale for adaptive re-use was issued in August 2018; and

Whereas, The Department of City Development ("DCD") received three proposals for the purchase and redevelopment of the Property; and

Whereas, An evaluation of the proposals resulted in the selection of Royal Capital Group LLC ("Buyer") as the most appropriate developer for the Property; and

Whereas, The Buyer proposes to invest an estimated \$19.9 million to purchase and renovate the Property as a 44-unit apartment building for families and construct 38 new townhomes on the site; and

Whereas, The zoning of the site, RM4, permits the proposed development; and

Whereas, The Buyer intends to work with local entities to enrich the development with a variety of services that promote healthy living; and

Whereas, DCD has reviewed the offer and development proposal from the Buyer and determined that the offer and proposal represent fair compensation; and

Whereas, DCD has reviewed financial information submitted by the Buyer and determined that the Buyer has the financial capacity to purchase and renovate the Property, contingent on the Buyer's receipt of Low Income Housing Tax Credits and Federal and State Historic Tax Credits, in amounts specified in the project's financing sources and uses statement; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Land Disposition Report for the Property ("LDR"), a copy of which is attached to this Common Council File, is approved, and that DCD is authorized to enter into a Purchase and Sale Agreement ("PASA") with the Buyer, or assignee, materially consistent with the LDR, and then convey the Property to the Buyer, or assignee, in accordance therewith; and, be it

Further Resolved, That the Commissioner of DCD, or designee, is authorized to sign the PASA, deed and requisite closing documents and to close the transaction and to take such actions, as may be needed, to effectuate the terms of the LDR and this resolution, including any needed easements and/or releases of deed restrictions; and, be it

Further Resolved, That the sale proceeds, less sale expenses, shall be deposited in the Milwaukee Public Schools Operations Fund, in accordance with Wisconsin Statutes Sections 110.46 and 119.61(5).

DCD:Rhonda.Szallai:rs

10/24/18