



## Legislation Text

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**File #: 061020, Version: 0**

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030680

ALD. MCGEE

Resolution authorizing an agreement between the City of Milwaukee and HCP Real Estate, Inc., for assignment under Wisconsin Statute Section 75.106 of the City's right to an in-rem foreclosure judgment against 118 West Abert Place, in the 6th Aldermanic District. This resolution directs property tax foreclosure against 118 West Abert Place so assignment of the foreclosure judgment to a developer, HCP Real Estate, Inc., may occur so the property may be remediated, improved and placed in taxpaying ownership. Whereas, Based on City of Milwaukee ("City") records, Joseph Blandino owns tax-delinquent property at 118 West Abert Place ("Parcel"); and

Whereas, The City and HCP Real Estate, Inc., ("HCP") believe that the Parcel may be environmentally impacted or a "brownfield" based on historical land use and other limited investigations that have been done; and

Whereas, HCP (whose members are Thomas H. Frentzel and Thomas W. Frentzel) wishes to use the brownfield redevelopment tool available under Wisconsin Statute Section 75.106 to acquire the Parcel via City assignment of the City's right to a Wisconsin Statute Section 75.521 in-rem foreclosure judgment; and

Whereas, Department of City Development ("DCD"), Real Estate staff, completed an "Internal Protocol/Questionnaire for Community Improvement In-Rem Foreclosure Actions" as required by Common Council File No. 030680 requesting that the City commence an in-rem foreclosure action against the Parcel, and the City did include the Parcel in its 2006 No. 1 In-Rem File, Milwaukee County Circuit Court Case No. 06-CV-003677 (Parcel 105); and

Whereas, HCP wishes to enter into a "75.106 In-Rem Assignment Contract" ("75.106 Contract") and to accept assignment of the City's right to an in-rem foreclosure judgment in exchange for: paying \$3,500 toward the City's foreclosure expenses; paying the City for the assignment (\$10,950 less a redevelopment fee of 25 percent made payable to the Redevelopment Authority of the City of Milwaukee) and less DCD-approved, remediation expenses up to a maximum credit of \$8,211.50; paying all unforeclosed tax-roll amounts; and testing and remediating the Parcel to the extent required by the Wisconsin Department of Natural Resources; and

Whereas, For HCP to be reimbursed for remediation expenses, HCP must, within 12 months of acquiring title (by means of foreclosure judgment), provide proof of payment for eligible remediation expenses, and the reimbursement proceeds will come from and not exceed the \$8,211.50 portion of the net sale proceeds, with any remaining part of the sale proceeds being paid to City; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that DCD, Real Estate staff, and the City Attorney's office are directed to finalize negotiations of the 75.106 Contract between the City and HCP consistent with the terms and conditions outlined herein; and, be it

Further Resolved, That the proper City officials are authorized to execute said 75.106 Contract and take all actions required or contemplated thereunder; and, be it

Further Resolved, That the City Treasurer and City Attorney shall prosecute Section 75.521 in-rem foreclosure against the Parcel so that judgment may be assigned to HCP per the terms of the 75.106 Contract; and, be it

Further Resolved, That foreclosure expense amounts paid to the City under the 75.106 Contract (herein called "Foreclosure Expense Moneys") shall be deposited in a City general fund liability account (customer deposit 201104-0001-1490) under the control of the City Treasurer, to be used and applied per said 75.106 Contract (including, but not limited to, paying for or reimbursing foreclosure expenses incurred by the City Attorney or by the City Treasurer); and, be it

Further Resolved, That if the City is successful in its foreclosure efforts and judgment of foreclosure on the Parcel is granted to HCP, the Redevelopment Authority of the City of Milwaukee shall be paid its 25 percent fee out of the purchase price, and shall hold the \$8,211.50 portion of the purchase price in a Redevelopment Authority Good Faith Trust Account for reimbursement to HCP for eligible remediation expenses as per the terms and conditions in the 75.106 Contract; and, be it

Further Resolved, That if any part of the \$3,500 Foreclosure Expense Moneys remain after reimbursing the Treasurer's Office and the City Attorney's Office foreclosure expenses, then those remaining funds, along with any part of the purchase price not paid to the Redevelopment Authority of the City of Milwaukee for its 25 percent fee and not paid to HCP as reimbursed remediation expenses, shall be transferred and deposited in the Tax-Deed Remediated Property Account 0110-107802 to help offset the principal amount of the delinquencies against the Parcel.

CA:DCD

GCH:MFH:mfh

11/14/06/A