



## Legislation Text

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**File #:** 140910, **Version:** 2

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### 140910 SUBSTITUTE 2

ALD. MURPHY, WITKOWSKI, BOHL, BAUMAN, AND DONOVAN

A substitute ordinance relating to establishing a process for the disposal of surplus city-owned school buildings.

304-49-1-e cr

304-49-6 rn

304-49-6 cr

304-49-7 rn

304-49-8 rn

304-49-9 rn

304-49-10 rn

304-49-11 rn

304-49-12 rn

304-49-13 rn

304-49-14 rc

This ordinance establishes a competitive process to solicit proposals for the sale, conveyance or lease of surplus city-owned school buildings deemed underutilized by resolution of the common council, and establishes factors to be considered by the commissioner or his or her designee when making recommendations to the common council relating to the sale, conveyance or lease of city-owned school buildings. In addition, this ordinance establishes that the commissioner shall provide a due diligence checklist on the proposed sale, conveyance or lease of city-owned school buildings.

The Mayor and Common Council of the City of Milwaukee do ordain as follows:

Part 1. Section 304-49-1-e of the code is created to read:

### **304-49. Disposal of City Real Estate.**

#### **1. DEFINITIONS.**

e. "School-purpose property" means any city-owned property used for school purposes that has been deemed underutilized by resolution of the common council.

Part 2. Section 304-49-6 to 13 of the code is renumbered 304-49-7 to 14.

Part 3. Section 304-49-6 of the code is created to read:

**6. CITY DISPOSAL OF SCHOOL-PURPOSE PROPERTY.** a. The commissioner shall, upon resolution of the common council, initiate a competitive process to solicit proposals for school purpose-property consistent with the fair and open practices of the department of administration.

b. Responsive proposals shall be evaluated by the commissioner or his or her designee based on considerations that include all of the following factors:

b-1. Purchase price or lease rates, with consideration for redevelopment and environmental remediation costs.

b-2. Financial capacity of the buyer or lessee.

b-3. Project development experience of the buyer or lessee or his or her development team.

b-4. The proposed reuse and quality of the design.

b-5. Neighborhood compatibility and community needs.

b-6. Proposed use of emerging businesses and workers qualifying for the resident preference program.

b-7. Tax consequences of the sale, conveyance or lease for the city and taxpayers, including the impact of the taxpayer share of the Milwaukee parental choice program, if applicable.

b-8. Plans for future use, improvements, development or remediation of the property.

b-9. Other non-monetary or public policy considerations.

c. Following evaluation of all proposals, the commissioner or his or her designee shall submit recommendations for the sale or lease of the school-purpose property to the common council for its consideration and approval.

d. To facilitate common council approval, the commissioner shall provide a due diligence checklist on the proposed sale, conveyance or lease of the school-purpose property including the following information:

d-1. An assessment of the market value of the property.

d-2. A full description of the future use and any proposed development of the property, including preliminary site, operations and landscaping plans, available architect renderings, development risk factors and the developer's development project history.

d-3. Proposed capital structure of the purchase, conveyance, lease or development, including anticipated sources, terms and rights for all funding.

d-4. Projected cash flows for the lease term for leased property.

d-5. Tax consequences of the sale, conveyance or lease for the city and taxpayers, including the impact of the taxpayer share of the Milwaukee parental choice program, if applicable.

e. Before proceeding with the final negotiated disposition of any school-purpose property, the

commissioner shall provide the common council with a due diligence checklist list, as specified under par. d, for the final negotiated disposition, if the final negotiated sale, conveyance or lease of the school-purpose property differs materially from the proposed property disposition previously provided to the common council under par. d.

Part 4. Section 304-49-14 of the code is repealed and recreated to read:

**14. PROPERTY NOT AFFECTED.** This section shall not affect or apply to the following:

a. Property owned or controlled by the board of harbor commissioners.

b. Leases of neighborhood property pursuant to sub. 7.

APPROVED AS TO FORM

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Legislative Reference Bureau

Date: \_\_\_\_\_  
IT IS OUR OPINION THAT THE ORDINANCE  
IS LEGAL AND ENFORCEABLE

\_\_\_\_\_  
Office of the City Attorney

Date: \_\_\_\_\_

LRB150131-2  
Aaron Cadle

LRB155417-3  
Richard Pfaff  
10/02/14