



Legislation Text

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180336
ORIGINAL
161162

ALD. HAMILTON

Resolution amending the Land Disposition Report approved by Common Council File No. 161162 relating to the sale of the City-owned properties at 3619, 3621 and 3633 West Villard Avenue, in the 1st Aldermanic District.

This resolution makes the following amendments to the Land Disposition Report relating to the sale of the City-owned properties at 3619, 3621 and 3633 West Villard Avenue to Index Development Group LLC:

1. The purchase price is changed from \$20,000 to \$4,350 for the three parcels.
 2. The Buyer shall pay the special assessment letter charges and all other closing costs that may be applicable.
- Whereas, On January 18, 2017, the Common Council of the City of Milwaukee adopted File No. 161162, which authorized the sale of the City-owned properties at 3619, 3621 and 3633 West Villard Avenue to Index Development Group LLC or its assignees; and

Whereas, File No. 161162 also approved a Land Disposition Report for the conveyance of these properties; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the "PURCHASE TERMS AND CONDITIONS" section of the Land Disposition Report approved by Common Council File No. 161162 is amended as follows:

PURCHASE TERMS AND CONDITIONS

The purchase price is \$4,350 and is based on the land value and not on any improvements on the Properties. An \$1,250 non-refundable Option Fee is required within ten days of Common Council approval and shall be credited toward the purchase price if the sale closes prior to December 31, 2018.

The base option period is until December 31, 2018, which allows time for a November, 2018 award from the Federal Home Loan Bank's ("FHLB") Affordable Housing Program ("AHP") for a tax credit allocation, sale of the tax credits to equity investors, obtaining firm financing and finalization of construction plans, securing a signed offer to purchase to acquire the two privately owned properties and receipt of firm financing without contingencies for the proposed development. The City of Milwaukee ("City") is permitted to terminate the option early if the Buyer fails to submit a tax-credit application to FHLB or the project is not awarded an AHP tax-credit allocation. The City may extend the option for up to three six-month periods based upon the Buyer's submission of a \$500 non-refundable renewal fee and DCD-approval of a satisfactory progress report on the Buyer's effort to sell the tax credits, obtain financing, a signed offer to purchase to acquire the two privately owned parcels and final building plans.

The City's closing contingencies include approval of final construction plans, a signed offer to purchase for the privately owned parcels, evidence of firm financing, negotiation and execution of an Agreement for Sale that will contain reversion of title provisions for non-performance and submission of a \$5,000 performance deposit to be held until satisfactory completion of the project. At closing, the Buyer also will be required

to apply for Certificates of Occupancy that are required by WHEDA and FHLB if applicable.

The Buyer shall pay the special assessment letter charges and all other closing costs that may be applicable. The conveyance will be on an "as is, where is" basis, including all environmental and geotechnical conditions, if any. The Buyer will be responsible for all surveying costs and all other development-related activities. The deed of conveyance will contain a restriction prohibiting the Buyer or successors from applying to the City for tax-exempt property status. At closing, a 30 percent disposition fee shall be paid to the Redevelopment Authority of the City of Milwaukee, less sale and marketing expenses, with the remaining proceeds credited to the Delinquent Tax Fund.

DCD:Dwayne.Edwards:dke

05/30/18/B