

**LAND DISPOSITION REPORT AND DUE DILIGENCE CHECKLIST  
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

**DATE**



January 28, 2020

**RESPONSIBLE STAFF**

Dwayne Edwards, Program Manager, Department of City Development

**PARCEL ADDRESSES AND DESCRIPTION**

4113-15 West North Avenue (the "Property"), is a 2,496 square foot vacant building having a lot area of approximately 3,600 square feet. The City of Milwaukee acquired the Property on July 14, 2014 through property tax foreclosure.

	
<p>City commercial property front view</p>	<p>4113-15 West North Avenue</p> 

**BUYER**

Flanagan Realty Company, LLC, (the "Buyer") is owned and managed by Fred Chambers. The Buyer proposes to purchase and renovate the building to operate a small retail bakery outlet and provide a market rate apartment unit on the upper level of the building.

The Buyer, has successfully purchased, renovated and managed several properties in the City of Milwaukee. The Buyer, who grew up in the area hopes to hire several neighborhood residents for this new business venture.

**PROJECT DESCRIPTION**

The Buyer proposes to renovate the property primarily as a neighborhood bakery and be part of the resurgence along this portion of West North Avenue. The business corridor has had recent development that includes a Pizza Hut franchise and the Buyer wants to provide job training resources, life skills and offering housing to neighborhood residents. Mr. Chambers wants to provide an approach to achieving doable goals one step at a time through programs, partnerships and training that have proven successful to share with future aspiring small business operators.

- The property at 4113-15 West North Avenue will include interior improvements for the front retail space, roof repair, new flooring, windows, plumbing and electrical upgrades. Exterior improvements will include, but not be limited to new doors, larger windows, signage, painting and other outdoor façade improvements.

Total estimated rehabilitation costs are approximately \$65,000, with 70 percent of the renovations being completed through "sweat equity" and volunteer hours from friends and other family supporters. The Buyer's project may require certain City approvals in addition to the approval of the Land Disposition Report. Closing is contingent upon the Buyer obtaining all necessary approvals, financing and Department of City Development approval of the final building exterior elevations.

**PURCHASE TERMS AND CONDITIONS**

The purchase price is \$1,000, which factors in the overall condition of the property. The Buyer will use personal savings and sweat equity, while also exploring available City funding resources that may be applicable. The Buyer also agrees to pay property taxes annually.

The conveyance of the property will be on an "as is, where is" basis. The deed of conveyance will contain a restriction prohibiting the Buyer, or its successors, from applying to the City of Milwaukee for tax-exempt property status. At closing, subtracted from the sale proceeds will be sale and marketing expenses and a 30 percent disposition cost reimbursement to the Redevelopment Authority of the City of Milwaukee, with the remaining proceeds being deposited in the Delinquent Tax Fund.

## DUE DILIGENCE CHECKLIST

ADDRESSES: 4113-15 WEST NORTH AVENUE

The Commissioner's assessment of the market value of the property.	<p>The Property at 4113-15 West North Avenue is being sold "as is, where is," without any guarantees. The Property is zoned LB2 or Local Business. The single-tenant space at 4113-15 West North Avenue was previously occupied as a real estate office.</p> <p>The purchase price for the property is \$1,000. The property has considerable deferred maintenance, including a leaking roof and defective electrical and plumbing. The leaking roof has negatively affected the interior of the building.</p>
Full description of the development project.	Flanagan Realty Company, LLC, (the "Buyer") is owned and managed by Fred Chambers. The Buyer will purchase and renovate the property to operate a small retail bakery outlet and rent the upper level apartment unit for supplemental income.
Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.	The Buyer was advised that any changes or modifications to the exterior facade may require approval from the City of Milwaukee Planning staff.
Developer's development project history.	This will be the Buyer's first commercial development. The Buyer has owned and operated several residential and multi-family properties in Milwaukee.
Capital structure of the project, including sources, terms and rights for all project funding.	The estimated renovation and improvement costs are approximately \$65,000. The Buyer will use personal savings and sweat equity, while also exploring available City funding resources that may be applicable.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	If the buildings remain vacant, the deferred maintenance and costs to cure will continue to increase. Continued vacancy of the building will serve as a hindrance on efforts to redevelop the property and this stretch of West North Avenue.
Tax consequences of the project for the City.	The property will be fully taxable. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status.