

LAND DISPOSITION REPORT

COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

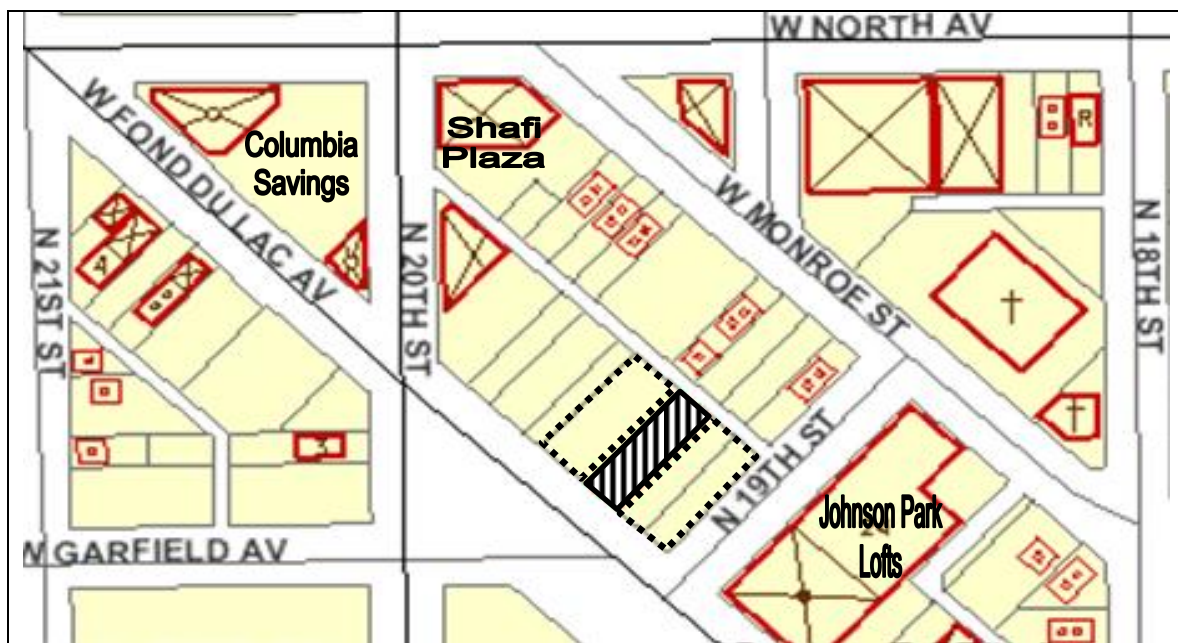
January 10, 2012

RESPONSIBLE STAFF

Matthew Haessly, Real Estate Specialist, DCD

PARCEL ADDRESS & DESCRIPTION

1922, 1924-26 and 1932-38 West Fond du Lac Avenue: Three vacant lots with a combined area of 14,500 SF. The properties were acquired between 1990 and 2002 through tax foreclosure. The lots will be assembled with the adjoining property to create an 18,000 SF development site. The private property is improved with a vacant mixed-use building that will be demolished by the developer.



 City Lots

 Buyer's Adjacent Property

BUYER

Nafiz Efe, owner, EFE Building and Remodeling, LLC, a City certified EBE business that provides general contracting services for new and existing residential, institutional and commercial developments. Mr. Efe owns the adjacent vacant building at 1928-30 West Fond du Lac Avenue. Mr. Efe also owns several Milwaukee residences (4353 South 5th Street, 2144 South Winchester Street, 2164 North 37th Street, 1311 West Cherry Street) that are investment properties. Mr. Efe has created a limited liability company, MZY of EFE, LLC, that will take title to the property and develop the building.

PROJECT DESCRIPTION

Development of a mixed-use building with approximately 6,600 SF of retail space on the first floor, 16 apartments on the upper floors and a 29-space surface parking lot in the rear of the building. The apartments will be two or three-bedroom units marketed to individuals or families with lower to moderate income levels. The units will be furnished with a washer & dryer, refrigerator, stove, dishwasher and air conditioning. The Buyer will be responsible for razing the privately owned building at 1928-30 West Fond du Lac Avenue at the Buyer's sole expense.

The estimated budget for these improvements exceeds \$3 million. The Buyer is exploring financing through a variety of sources, such as private loans and grants. Mr. Efe's EBE participation is estimated to be 60% of the total project cost.



OPTION TERMS AND CONDITIONS

The purchase price will be \$15,000. \$750.00 earnest money must be submitted after Common Council approval and will be credited toward the purchase price if the Buyer closes within the base offer term. The base offer term is six months commencing on the date of Common Council approval to allow the Buyer to obtain final construction plans and firm financing. The offer may be extended by the Commissioner of the Department of City Development for up to two three-month periods upon submission of a satisfactory progress report on Buyer's efforts to obtain the final construction plans, firm financing and payment of a \$500.00 extension fee.

City closing contingencies include DCD approval of final construction plans, evidence of firm financing and execution of a Purchase and Sale Agreement. The Purchase and Sale Agreement will contain reversion of title provisions for non-performance and will require submission of a \$1,500 performance deposit to be held until satisfactory completion of the project. The final building plans must be consistent with preliminary plans the Buyer submitted for sale approval. The Buyer also cannot be in violation of City Buyer Policies.

Sale proceeds, less sale expenses and a 30% disposition cost reimbursement to the Redevelopment Authority of the City of Milwaukee, shall be returned to the Reserve For Tax Deficit Fund. The properties will be conveyed on an "as is, where is" basis.

The Buyer will be required to obtain a Certified Survey Map as a condition of closing. Further, the deed will prohibit the Buyer or successors from applying to the City for tax-exempt property status.