

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

DATE

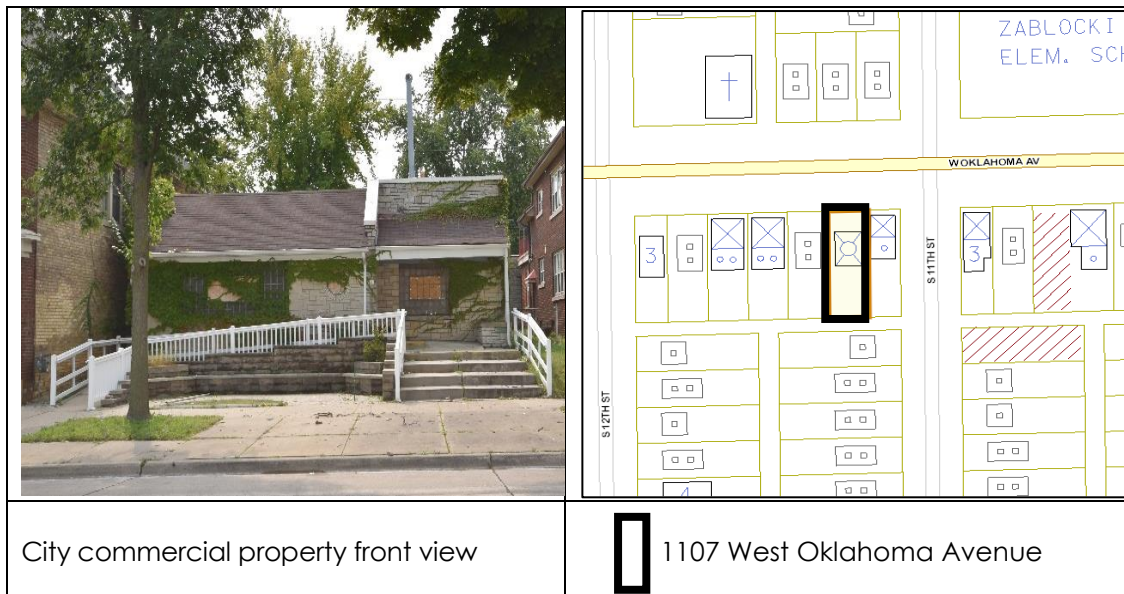
March 27, 2024

RESPONSIBLE STAFF

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Department of City Development, Real Estate Section

PARCEL ADDRESSES AND DESCRIPTION

1107 West Oklahoma Avenue (the "Property"), is a 1,796 square foot former medical office building that was built in 1952 and has a lot size of approximately 4,800 square feet with approximately five parking spaces in the rear of this building. The Property is zoned LB2 or Local Business. The City of Milwaukee ("City") acquired the property on November 26, 2019 through property tax foreclosure.



BUYER

Cihuatl Property LLC, (the "Buyer"), owned and managed by Cristina Villanueva will purchase and renovate the building to feature a business hub offering services for emerging Hispanic small businesses. The Latina-owned business will provide office space for networking events, business workshops and financial advice to support early-stage businesses navigation, to identify and prevent early stage obstacles for owners/operators to achieve business success. The Buyer is the registered agent and pursued the City property when the Department of City Development ("DCD") solicited a Request for Proposals.

Ms. Villanueva is co-founder of Negozee, a social learning platform for Spanish-speaking entrepreneurs across the country. The App offers access to education, resources, networking, classes and more to help enable entrepreneurs to succeed and grow. She is also the owner of Ambas Financial Services, LLC, a bilingual tax preparation and accounting business serving the south side of Milwaukee. The Buyer also serves as a volunteer mentor with the nonprofit SecureFutures. Ms. Villanueva earned a degree in Business Administration from UW-Milwaukee.

PROJECT DESCRIPTION

The Buyer proposes to renovate the property to offer multiple financial tools and services under one roof. Building exterior improvements will include restoring windows with clear glazing along street frontage, improve the front staircase, cleaning the building's façade, landscaping and new signage to meet City design standards as specified in Milwaukee's Code of Ordinances Ch. 295-405.



Buyer's conceptual rendering (front view)

Interior improvements at the property include remodeling the space to accommodate business symposiums and workshops, offices, meeting space and conference rooms. The City's Commercial Corridor Team will also provide funding resources and technical assistance to assist with renovations. The Buyer will complete all renovations and obtain a Certificate of Completion ("COC") within 18 months of the City's Closing date.

The Buyer's financing will come from a local lender, personal savings and City funding resources if applicable. 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 DCD approval of the final building exterior elevations. Total estimated rehabilitation costs are approximately \$210,000.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$75,000 and Buyer shall pay all costs at closing. The conveyance will be on an "As Is, Where Is" basis. The Buyer agrees to obtain all necessary City permits and approvals, including Board of Zoning Appeals approvals, as needed. The Buyer will pay a \$2,500 performance deposit regarding Buyer's duty to complete renovation and obtain a Certificate of Completion, by September 15, 2025. Buyer will be required to meet the City's General Buyer Policies. The Buyer will execute a City Purchase and Sale Agreement, which will outline all terms of the transaction.

The deed of conveyance will contain a restriction prohibiting the Buyer, or its successors, from applying to the City for tax-exempt property status and a deed restriction prohibiting the Buyer from conveying to another prior to Buyer obtaining the Certificate of Completion.

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 City Tax Deficit Fund.

DUE DILIGENCE CHECKLIST**ADDRESS: 1107 WEST OKLAHOMA AVENUE**

The Commissioner's assessment of the market value of the property.	The Property at 1107 West Oklahoma Avenue is a 1,798 square foot former medical office building that was built in 1952 and has a lot size of approximately 4,800 square feet, with approximately five parking spaces in the rear of the parcel. The property is zoned LB2 or local business and is being sold "As Is, Where Is," without any guarantees.
Full description of the development project.	Cihuatl Property LLC, (the "Buyer") owned and managed by Cristina Villanueva will purchase and renovate the building to feature a business hub for Hispanic small businesses. The Buyer will provide office space for networking events, business workshops and financial advice to support early-stage businesses navigation and to identify and prevent early stage obstacles to help grow successful operators and owners to achieve business success.
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 Planning staff. The City's Commercial Corridor Team plans to provide technical assistance on the renovations.
Developer's development project history.	Cristina Villanueva, pursued the City property when DCD solicited a Request for Proposals. This will be the Buyer's second commercial development. The Buyer operates another business within 14th District and has been actively involved with helping emerging businesses grow and succeed in the greater Milwaukee area.
Capital structure of the project, including sources, terms and rights for all project funding.	The purchase price is \$75,000 and the Buyer shall pay all costs at closing. Total renovation and improvement costs are approximately \$210,000. The Buyer's financing was approved by her lender and will include personal savings. The Buyer also plans to explore available City funding resources if applicable.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	If the building remains vacant, the deferred maintenance and costs to cure will continue to increase. Vacancy of the building will serve as a hindrance on efforts of the BID to assist redevelopment efforts in the section of the 14th Aldermanic District.
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.

