

# LAND DISPOSITION REPORT

## COMMON COUNCIL OF THE CITY OF MILWAUKEE

### DATE

November 30, 2011

### RESPONSIBLE STAFF

Matthew Haessly, Real Estate Specialist, Department of City Development ("DCD")

### PARCEL ADDRESSES, DESCRIPTION & HISTORY

1034-38 West National Avenue: A vacant, two-story masonry warehouse containing 8,186 SF plus full basement. The tax-deed building was constructed in 1927-28 and is in fair to poor condition. The building is situated on two lots containing 7,000 SF of land with 50 feet along National Avenue.

The site was listed on DCD's commercial property listing and sought proposals to renovate the existing building for a use compatible with the National Avenue commercial district. One proposal was received prior to the listing deadline.



### BUYER

Paul M. Maric, an individual experienced with renovating small, obsolete industrial buildings for commercial use. Mr. Maric acquired three commercial/industrial buildings on Milwaukee's south side (175 South Water Street (Riverview Antique Center), 2745 South 13<sup>th</sup> Street and 2750 South 14<sup>th</sup> Street) and made considerable improvements for the benefit of the surrounding neighborhoods.

Mr. Maric may create a new limited liability corporation for this transaction.

### PROPERTY DEVELOPMENT

Renovation of the existing warehouse for commercial and residential use. Planned improvements include new ground floor windows to activate the street level similar to the improvements the Buyer made at the Riverview Antique Center. He also will add new electrical, plumbing and HVAC systems, a new roof and landscaping to the adjoining lot. The space will be marketed in small bays to artists for studio/gallery space or for small antique or specialty retailers. The tenants will be able to use a portion of the basement for refurbishing or restoring specialty equipment, furniture, games or other memorabilia for retail elsewhere.

After the ground floor is finished, the second floor will be converted to a single residential unit. The remaining portion of the basement will be occupied by the Buyer for personal storage.



**View-looking northeast**



**View-looking northwest**

The total project costs are expected to be \$100,000 and the property will be fully taxable as required by the commercial listing.

#### **SALE TERMS AND CONDITIONS**

The purchase price is \$25,000. \$1,250 in 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 90 days commencing on the date of Common Council approval to allow the Buyer to obtain a final scope of work and firm financing. The offer may be extended by the Commissioner of the Department of City Development for up to 45 days upon submission of a satisfactory progress report regarding the Buyer's efforts to obtain the final scope of work and financing and payment of a \$500 extension fee.

Closing is contingent on the Buyer satisfying the City's closing contingencies for DCD approval of the final scope of work and firm financing. The Buyer also cannot be in violation of City Buyer Policies.

At closing, a commission will be paid to the commercial broker that submitted the offer on Mr. Maric's behalf. The net proceeds from the sale shall be returned to the Reserve For Tax Deficit Fund, less all sale and marketing expenses and a 30 percent development fee to be paid to the Redevelopment Authority of the City of Milwaukee. The property will be conveyed on an "as is, where is" basis. The deed of conveyance will contain a performance restriction requiring that the Buyer obtain a Certificate of Occupancy within 12 months following closing and a restriction joining the two lots into a single parcel. Both restrictions are subject to reversionary language. Further, the deed will prohibit the Buyer or successors from applying to the City for tax-exempt property status.