

LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

October 4, 2022

RESPONSIBLE STAFF

Dwayne Edwards, Program Manager, Real Estate, Department of City Development ("DCD")

PARCEL ADDRESS AND DESCRIPTION

5124-26 West Center Street (the "Property") consists of a 3,380 square foot building, with three residential units and one commercial unit situated on a 3,600 square foot parcel. The Property is zoned LB2 or Local Business and is located within Business Improvement District No. 39. The Property was acquired through property tax foreclosure on July 13, 2015. The Property is located within the Saint Joseph Neighborhood.



BUYER

Dedai Enterprise LLC, (the "Buyer") is owned by Deshawntae Griffin. The Buyer will open and operate a business incubator to help small local start up businesses grow and succeed by providing low-cost workspace, mentorship and access to investors, and working capital. The Business Incubator will also provide internet, computers, fax machines and printers to the community to help aid in the success of their start-up operations.

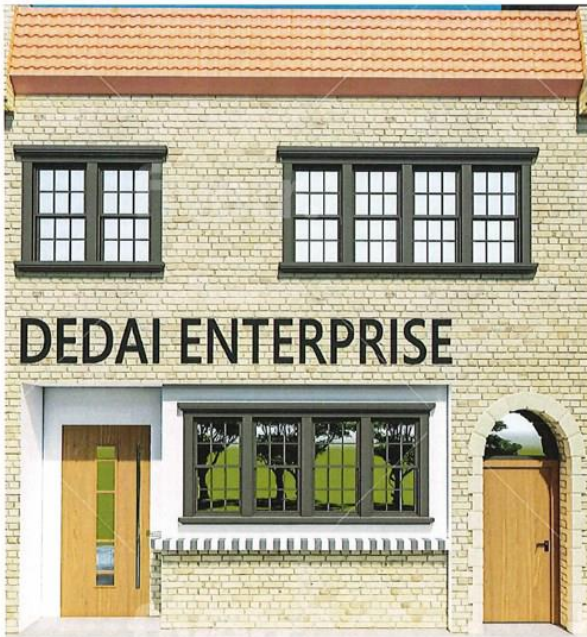
Dedai Enterprise LLC, currently owns a property in Milwaukee located at 5308 North 63rd Street. The Buyer's offices are currently located in River Hills, WI and the Buyer is planning to move her offices to 5124 West Center Street. The Buyer also has a Dwelling Contractor's License from the Wisconsin Department of Safety and Professional Services, and will provide sweat equity towards the project.

PROJECT DESCRIPTION

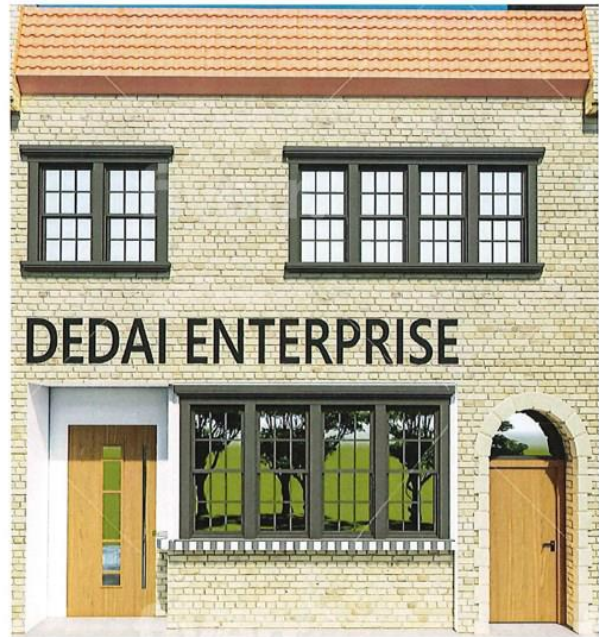
The Buyer proposes to operate a business incubator to help local start-up businesses grow and succeed by providing low-cost workspace, mentorship and access to investors with working capital. The Buyer will also renovate two, 2-bedroom apartments and a 1-bedroom apartment.

Exterior renovations will include tuck pointing, painting wood surfaces, replacing the doors and windows and installing clear glazing and transom along the Center Street frontage as seen in the illustration (below right). The renovation costs are approximately \$111,250.

The Buyer is considering conventional financing and/or personal equity, along with exploring available City grants and the rental rehabilitation program.



As proposed



Recommended

PURCHASE TERMS AND CONDITIONS

The purchase price is \$11,250. The conveyance 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 for tax-exempt property status. At closing, a commission will be paid to the commercial broker that submitted the offer on behalf of the Buyer. Also, a 30 percent disposition fee shall be paid to the Redevelopment Authority of the City of Milwaukee, less sale and marketing expenses, and the remaining proceeds shall be credited to the Delinquent Tax Fund.

Due Diligence Checklist
Address: 5124-26 West Center Street

<p>The Commissioner's assessment of the market value of the property.</p>	<p>The Property at 5124-26 West Center Street is being sold "as is, where is," without any guarantees. The Property is zoned LB2 or Local Business. The building is a vacant mixed-use building, with three residential units and one commercial unit.</p> <p>The purchase price for the Property is \$11,250. The building has been vandalized and has considerable deferred maintenance that has negatively affected the interior of the building. Portions of the exterior brick also need tuck pointing.</p>
<p>Full description of the development project.</p>	<p>The Buyer proposes to operate a business incubator to help local start-up businesses grow and succeed by providing low-cost workspace, mentorship and access to investors with working capital. The Buyer will also renovate two, 2-bedroom apartments and a 1-bedroom apartment.</p> <p>Exterior renovations will include windows, tuck pointing, painting wood surfaces, replacing the doors and windows and installing clear glazing and transom along the Center Street frontage.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>Proposed renovation activities are described above. Preliminary building elevation is provided in the Land Disposition Report.</p>
<p>Developer's development project history.</p>	<p>Dedai Enterprise LLC, (the "Buyer") is owned by Deshawntae Griffin. The Buyer currently owns a property in Milwaukee located at 5308 North 63rd Street. This will be buyer's first commercial project in Milwaukee. The Buyer also has a Dwelling Contractor License from the Wisconsin Department of Safety and Professional Services, and will provide some sweat equity towards the project.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>The renovation costs are approximately \$111,250. The Buyer is considering conventional financing and/or personal equity, along with exploring available City grants and the rental rehabilitation program.</p>
<p>Project cash flows for the lease term for leased property.</p>	<p>Not applicable.</p>
<p>List and description of project risk factors.</p>	<p>If the building remains vacant, the deferred maintenance and costs to cure will continue to increase. Continued vacancy of the building will serve as a drag on efforts to redevelop the property.</p>
<p>Tax consequences of the project for the City.</p>	<p>The Buyer anticipates investing \$111,250 in the project. 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.</p>