

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

DATE

June 17, 2024

RESPONSIBLE STAFF

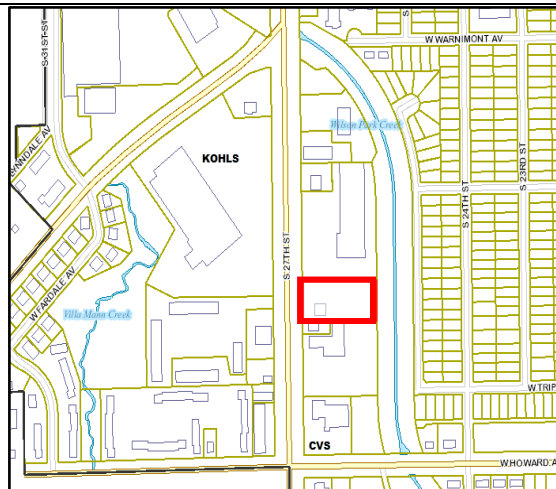
Dwayne Edwards, Real Estate Specialist
Department of City Development, Real Estate Section

PARCEL ADDRESSES AND DESCRIPTION

3774 South 27th Street (the “Property”), is a 4,381 square foot former Jacob Nunnemacher Mansion building that was originally built in the early 1840’s and has a lot size of approximately 1.87 acres with 198 lineal feet of frontage on South 27th Street. The building is a designated historic site. The property is surrounded by commercial businesses on three sides and its east property line is bounded by the Wilson Park Creek flowage. The Property is zoned LB1 or Local Business and is located within the Business Improvement District No. 43 and within a Development Zone Overlay District known as South 27th/Howard. The City of Milwaukee (“City”) acquired the property on August 16, 2013 through property tax foreclosure.



City commercial property front view



3774 South 27th Street



BUYER

NVS Investments, LLC, (the “Buyer”), is owned and managed by Rekesh “Ryan” Rehan. The Buyer has two highly successful restaurant and catering operations under the Café India name. A Bar and Grill establishment at 2201 South Kinnickinnic Avenue since 2013 and Café India – Walker’s Point at 601 South 1st Street in the Third Ward since 2010. Café India has consistently been named Milwaukee’s Best contemporary Indian Restaurant year after year by Milwaukee Magazine and the

Shepard Express. The physical property at 2201 South Kinnickinnic Avenue is owned by his business entity, NVS Investments, LLC.

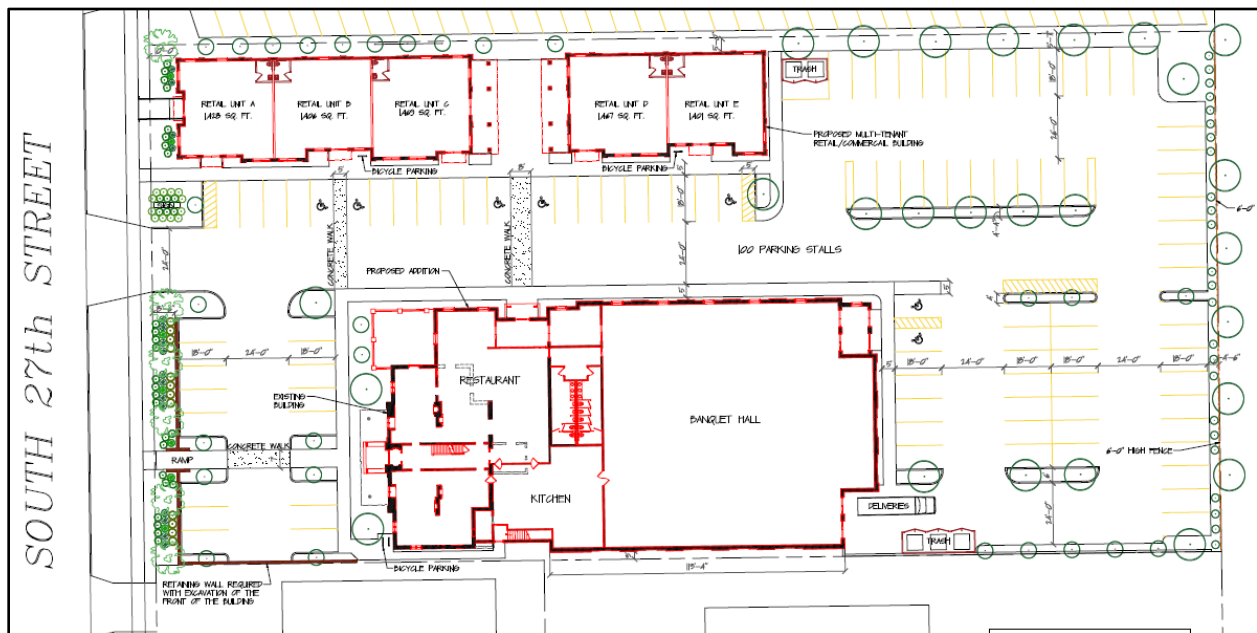
PROJECT DESCRIPTION

NVS Investments, LLC, (the “Buyer”), is proposing to renovate the historically designated building and expand onto the existing building. On June 3, 2024 the Historic Preservation Committee conditionally approved File No. 231653, a Certificate of Appropriateness (the “COA”) for the building that entails restoring all exterior aspects of the historically designated building using slightly, more modern, differentiating, materials and window treatments on the proposed building addition.

The existing building will be primarily be used as the dining room of a sit-down restaurant and the 9,825 square foot building addition will be used as a commercial kitchen, bar, banquet hall and event center.

The Buyer is proposing to construct two additional commercial buildings along the northern Property line. One commercial building will have three units and the second commercial building having two units. Each unit will range in size from approximately 1,400 square feet to 1,469 square feet. Two of the retail units have deep overhangs facing each other that are intended to allow for outdoor seating. The outdoor plaza area will be oriented directly in line with a primary entry point into the restaurant and banquet hall building along the south side of the Property.





Improvements at the Property will include, but not be limited to, remodeling the space to accommodate a restaurant and banquet facility. The Buyer anticipates demolition work, excavation, roofing, adding storefront windows, electrical, HVAC, plumbing, landscaping, drywalling, flooring etc. The Buyer may see Commercial Corridor Funding resources for the project. The Buyer will complete all renovations and obtain a

Certificate of Occupancy (“COO”) within 18 months of the City’s Closing date.

The Buyer’s financing will come from a local lender, personal equity 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 renovation and construction budget is \$5,000,000.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$200,000 and Buyer shall pay all closing 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 and the Board of Zoning Appeals approvals, as needed. The Buyer will pay a \$5,000 performance deposit regarding Buyer’s duty to complete renovation and obtain a Certificate of Occupancy, by January 15, 2026. 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. A Historic Preservation Easement shall be recorded at closing that will pertain to the historically designated building.

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: 3774 SOUTH 27TH STREET**

The Commissioner's assessment of the market value of the property.	3774 South 27th Street is a 4,381 square foot former Jacob Nunnemacher Mansion building that was built in early 1840's and has a lot size of approximately 1.87 acres with 198 lineal feet of frontage on South 27th Street. The property is zoned LB1 or local business 1 and is being sold "As Is, Where Is," without any guarantees.
Full description of the development project.	NVS Investments, LLC, (the "Buyer") is proposing to renovate the historically designated building and expand onto the existing building which has been boarded and vacant since 2013. The existing building will be primarily used as a dining room of a sit-down restaurant and a 9,825 square foot building addition will be used as a commercial kitchen, bar, banquet hall and event center. The Buyer is also proposing to construct two additional commercial buildings along the northern property line.
Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.	The Buyer has provided site plans and rendering for review to the City Planning staff, Historic Preservation Commission and the Department of Public works for review.
Developer's development project history.	The Buyer, pursued the City property when DCD solicited a Request for Proposals. This will be the Buyer's third commercial development in the Milwaukee area. The Buyer operates two restaurants under the name Café India in Milwaukee and has been actively involved with helping emerging businesses grow and succeed.
Capital structure of the project, including sources, terms and rights for all project funding.	The purchase price is \$200,000 and the Buyer shall pay all costs at closing. Total renovation and improvement costs are approximately \$5,000,000. The Buyer's financing will come from a conventional lender and will include personal equity. 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	If the building remains vacant, the deferred maintenance

project risk factors.	and costs to cure will continue to increase. Vacancy of the building serves as a hindrance on the BID to assist redevelopment efforts in this section of the 13th 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. A Historic Preservation Easement shall be recorded at closing that will pertain to the historically designated building.