

# LAND DISPOSITION REPORT

## COMMON COUNCIL OF THE CITY OF MILWAUKEE

### DATE

May 23, 2017

### RESPONSIBLE STAFF

Dwayne Edwards, Program Manager, DCD

### PARCEL ADDRESS AND DESCRIPTION

5725 West Burleigh Street (the "Property"): An 8,087 SF two-story vacant mixed-use building, with a lot area of approximately 10,277 SF. The City of Milwaukee ("City") acquired the property on January 5, 2015 through property tax foreclosure.



 City-owned property

City commercial property front view

### BUYER

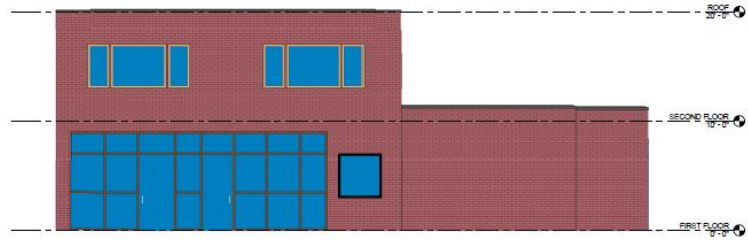
Ammon Corp. is managed by Johnathan L. Smith ("Buyer"). Ammon Corp., a minority-owned, home improvement business, has worked on projects for residential and commercial clients in the greater Milwaukee area for over 10 years.

The Buyer's agent contacted staff about the City-owned property at 5725 West Burleigh Street after the Buyer saw the property listed on the Department of City Development's ("DCD") web site. The Buyer plans to purchase, renovate and operate its business and create two market-rate apartments. Ammon Corp's business will have a one-stop location for equipment, warehouse and office space and a repair facility for the company's work vehicles. The Buyer plans to create four full-time positions and provide health benefits.

### PROJECT DESCRIPTION

The property will be divided into two commercial spaces and two residential units. The Buyer will occupy the western portion of the first floor for its construction company, while a personal trainer business will occupy the eastern portion. Building renovations will include complete interior improvements. New mechanicals, HVAC, flooring, roof, painting, windows and new equipment for the business are planned. Fencing and restoration of the storefront facade and new garage doors will be included among exterior improvements.

The Buyer's estimated renovation costs are \$331,000, and the Buyer plans to do some of the work through "sweat equity." The Buyer may need 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 elevations.



3D View 2.1  
Scale: 1/8" = 1'-0"

FRONT ELEVATION  
Scale: 1/8" = 1'-0"



REAR ELEVATION

#### 5725 WEST BURLEIGH STREET CONCEPTUAL RENDERINGS

#### **PURCHASE TERMS AND CONDITIONS**

The purchase price is \$27,500, which factors in the building's overall condition. The project will be funded with Buyer equity and private financing through LISC and PACE Equity. The Buyer may seek City assistance for funding to include a Retail Investment Fund, Facade Grant and the City's "White Box" programs.

The conveyance of the property will be on an "as is, where is" basis. The deed of conveyance will contain a restriction prohibiting the Buyer from applying to the City for tax-exempt property status. At closing, subtracted from the sale proceeds will be sale and marketing expenses, a commission to the commercial broker that submitted the offer on behalf of the Buyer and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee; the remaining proceeds shall be deposited in the Delinquent Tax Fund.