

**LAND DISPOSITION REPORT  
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

**DATE**  
March 22, 2016

**RESPONSIBLE STAFF**  
Dwayne Edwards, Program Manager, DCD

**PARCEL ADDRESS AND DESCRIPTION**

1239 South 11<sup>th</sup> Street (the "Property"): This 2,430 SF two-story mixed-use building was constructed in 1885 and is situated on a 2,000 SF lot. The City of Milwaukee ("City") acquired the vacant property on December 17, 2012 through property tax foreclosure.

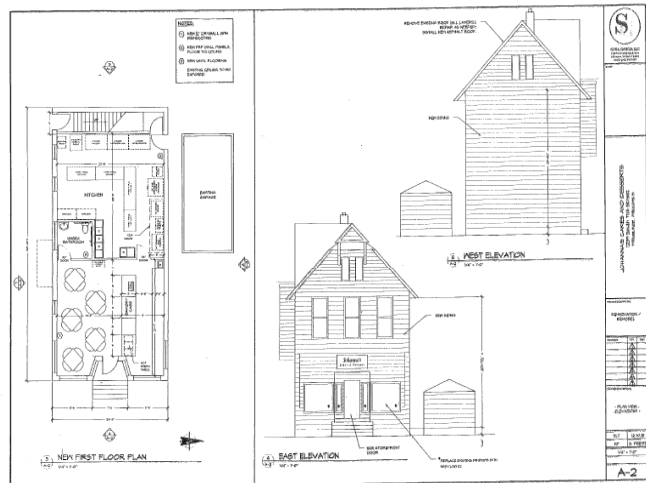


Property prior to purchase



JOHANNA'S CAKES & DESSERTS  
PROPOSED ELEVATION  
1239 S 11<sup>th</sup> STREET

Rendering of exterior after rehabilitation



1239 South 11<sup>th</sup> Street site plan

**BUYER**

Johanna's Cakes and Desserts, LLC, Johanna Ortiz, Manger, Member ("Buyer"). The Buyer started her business out of her home and has reached the point where a larger building is required to expand her business, increase her sales and add a retail component.

Ms. Ortiz's specialty business will offer a café that will serve a broad range of traditional Puerto Rican pastries, cakes, coffees and desserts. She also specializes in wedding and Quinceañera cakes. The Buyer has also provided her specialty treats at events, weddings, corporate parties and area fundraisers for over 10 years. Johanna's Cakes and Desserts, LLC, has an established clientele and it benefits through word of mouth referrals and social media commendations. Ms. Ortiz's reputation has created a large following, resulting in increased sales. It is because of this success, that she is pursuing the next step, moving her business from her home to a building that will accommodate her continued success.

Currently, the business is run by Ms. Ortiz with the help of her husband and children. Ms. Ortiz does the baking and decorating of the wedding and Quinceañera cakes. Her husband is in charge of the cooking and pastries. The older Ortiz children assist with these tasks, and as a family, they package, sell and deliver the products, truly making this a family business.

**PROJECT DESCRIPTION**

The Buyer proposes to purchase, renovate and add interior improvements to create a café with a high-quality bakery and pastry business. The second floor residential unit will be renovated into an apartment. The Buyer's scope of work includes electrical and plumbing upgrades, new flooring, new kitchen, painting, equipment for the business and cabinetry are among the renovations. Exterior repairs include new siding, security doors and lighting enhancements and roof replacement. The Buyer's estimated renovation costs are \$205,000. The Buyer is aware that some uses and grant awards may require City approval. Closing is contingent upon the Buyer obtaining all necessary approvals and financing.

**PURCHASE TERMS AND CONDITIONS**

The purchase price is \$30,000. The Buyer will seek City funding assistance for the project through a Neighborhood Improvement Development Corporation ("NIDC") Rental Rehabilitation loan, a facade grant and the City's "Commercial Property Renovation Loan" 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 a commission paid to the commercial broker that submitted the offer on behalf of the Buyer, sale and marketing expenses and a 30 percent disposition cost reimbursement to the Redevelopment Authority of the City of Milwaukee; the remaining proceeds shall be deposited in the Delinquent Tax Fund.