

LAND DISPOSITION REPORT

COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

February 22, 2012

RESPONSIBLE STAFF

Matthew Haessly, Real Estate Specialist, DCD

PARCEL ADDRESS & DESCRIPTION

2501-09 West North Avenue: A 5,000 SF two-story brick building situated on an 11,000 SF lot. Constructed in 1914, the building is vacant and has suffered extensive damage and vandalism. The first floor commercial area is approximately 2,500 SF and the upper floors have two residential units. The property also has a detached two-car brick garage with access off of 25th Street. An effort to redevelop the property in 2009 did not move forward due to financing difficulties.



 City Property

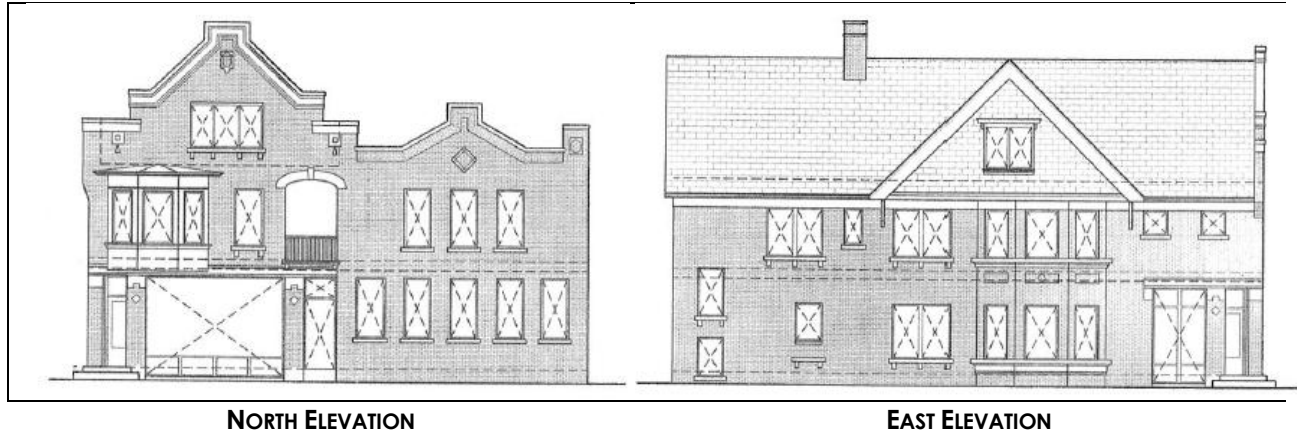
BUYER

McNeil Property Management, LLC, a new limited liability company formed by Virgil and Danyel McNeil. The McNeil's currently manage Old School Housing, Inc., which operates a group home at 3407 West Highland Blvd. In 2001, Virgil and Danyel McNeil purchased a vacant lot in the City Homes Subdivision from the Redevelopment Authority and constructed a new home.

PROJECT DESCRIPTION

Renovate the existing mixed-use building to provide three commercial spaces and two apartments. The first floor will have a 1,700 SF sit-down café operated by the McNeil's and two speculative commercial spaces with approximately 840 SF each. The apartments will be two-bedroom units with one bath. The units will be furnished with a refrigerator, stove and air conditioning. The residential tenants will have reserved and secure parking, along with a secured entrance with surveillance cameras.

The estimated budget for these improvements exceeds \$250,000. The buyer is exploring financing through a variety of sources, such as private loans and grants, including façade and rental rehabilitation. The McNeil's financial participation is estimated to be at least 70% of the total project cost. The buyer shall make its best effort to comply with the City's Minority, Women and Small Business Enterprise Program.



OPTION TERMS AND CONDITIONS

The purchase price will be \$5,000. \$250.00 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 six-months commencing on the date of Common Council approval to allow the buyer to obtain final construction plans and firm financing. The offer may be extended by the Commissioner of the Department of City Development for up to two, three-month periods upon submission of a satisfactory progress report on buyer's efforts to obtain the final construction plans, firm financing and payment of a \$250.00 extension fee.

City closing contingencies include DCD approval of final construction plans, evidence of firm financing and execution of a Purchase and Sale Agreement. The Purchase and Sale Agreement will contain reversion of title provisions for non-performance and will require submission of a \$1,000 performance deposit to be held until satisfactory completion of the project. The final building plans must be consistent with preliminary plans the buyer submitted for sale approval. The buyer also cannot be in violation of City Buyer Policies.

Sale proceeds, less sale expenses and a 30% disposition cost reimbursement to the Redevelopment Authority, shall be returned to the Reserve For Tax Deficit Fund. The properties will be conveyed on an "as is, where is" basis with a deed restriction prohibiting the buyer or successors from applying to the City for tax-exempt property status.