

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

DATE

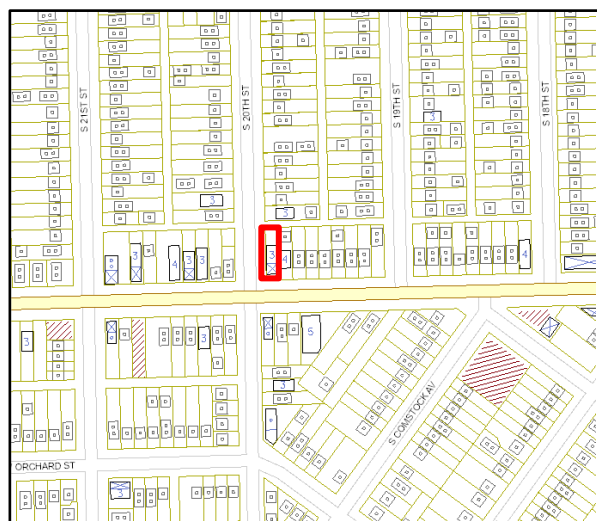
July 23, 2024

RESPONSIBLE STAFF

Dwayne Edwards, Real Estate Specialist, Department of City Development

PARCEL ADDRESS AND DESCRIPTION

1932-34 West Greenfield Avenue (the "Property"): A two-story, mixed-use brick building having four commercial and four residential units which was built in 1902. The building area is approximately 4,114 square feet and the lot area is approximately 3,637 square feet. The City of Milwaukee ("City") acquired the Property on July 15, 2020 through property tax foreclosure.



1932-34 West Greenfield Avenue



City Property

BUYER

3706 Property Investments, LLC ("3706"), is owned and managed by Antwone Williams, (the "Buyer"). The Buyer will oversee the day-to-day renovation work and also plans to operate a small property management office. Mr. Williams contacted Department of City Development ("DCD") real estate staff about the property after driving through the neighborhood on numerous occasions and noticed the property has been boarded and vacant for a number of years.

The Buyer has been in real estate business for over 20 years and has previously renovated three commercial buildings in the 6th Aldermanic District. Earlier this month, the Buyer renovated a mixed-use building at 3700-06 North Teutonia Avenue. The Buyer also previously owned a commercial building at 3829 West North Avenue, in the 15th Aldermanic District.

3706 Property Investments, LLC has brought new businesses to neighborhoods along with residential options for a variety of tenants, and proposes affordable workforce housing or units for veterans in the 12th Aldermanic District.

PROJECT DESCRIPTION

The Buyer plans to renovate the first-floor commercial unit for a small office space and rent the apartments to market-rate tenants or veterans upon completion of all improvements on or before December 2025. Renovations include a total interior rehab and repairs will include, but are not limited to, foundation repairs, electrical and plumbing upgrades, bathroom updates, new mechanicals, flooring, doors, painting, window repair as needed, security systems and ceiling work. Exterior repairs include new wood siding, door, lighting and roof repair.

Mr. Williams estimated renovation costs are approximately \$185,000 and a portion of the work will be completed through "sweat equity." The Buyer has secured financing from a local lender that together, with Buyer's personal savings will allow for completion of the renovations.

Buyer may seek commercial corridor grant resources, if available. The Buyer's project may require certain City approvals. Closing is contingent upon the Buyer receiving all necessary approvals, financing and Department of City Development approval of the final building exterior improvements.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$10,000 and Buyer shall pay all 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, including Board of Zoning Appeals approvals, as required. The Buyer will pay a \$2,500 performance deposit regarding Buyer's duty to complete renovation and obtain a Certificate of Occupancy by December 10, 2025.

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 City Planning staff reviewed the Buyer's plans for renovation of the building and also provided guidelines that will be included in the City's Purchase and Sale Agreement.

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 party prior to Buyer obtaining the Certificate of Occupancy.

At closing, subtracted from the sale proceeds will be sale and marketing expenses and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee; the remaining proceeds shall be deposited in the City's Tax Deficit Fund.

DUE DILIGENCE CHECKLIST**ADDRESS: 1932-34 WEST GREENFIELD AVENUE**

The Commissioner's assessment of the market value of the property.	<p>The "Property" at 1932-34 West Greenfield Avenue is being sold "as is, where is," without any guarantees. The Property is zoned LB2 or Local Business. The two-story mixed-use building has four commercial units and four residential apartments,</p> <p>The purchase price is \$10,000. The building has deferred maintenance, including foundation, electrical, HVAC and plumbing issues. Extensive interior damage to ceilings, floors and walls have negatively affected the overall value of the building.</p>
Full description of the development project.	<p>The Buyer, 3706 Property Investments, LLC, plan to renovate the first-floor commercial units for lease of a small office space and rent the apartments to market-rate tenants or veterans upon completion of all renovations.</p> <p>Renovations include a total interior rehab and repairs. Work will include, but is not limited to, foundation repairs, electrical and plumbing upgrades, bathroom updates, new mechanicals, flooring, doors, painting, and ceiling work. Exterior repairs include new doors, lighting, and security systems.</p>
Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.	Facade modifications will include foundation repairs, new doors, windows with clear glazing and power washing of brick and tuck-pointing repairs.
Developer's development project history.	The Buyer have purchased and rehabilitated three north side properties from the City of Milwaukee. 3706 Investment Property, LLC has no outstanding violations on any properties.
Capital structure of the project, including sources, terms and rights for all project funding.	The estimated renovation costs are approximately \$185,000. The Buyer secured financing from a local lender and will also use personal savings to complete renovations.
Project cash flows for the lease term for leased property.	Not applicable.

List and description of project risk factors.	If the building remains vacant, the deferred maintenance and costs to cure will continue to rise. Continued vacancy will serve as a hindrance on efforts to redevelop the Property and be a blight on the neighborhood.
Tax consequences of the project for the City.	The Property will be fully taxable. The deed of conveyance will contain a restriction prohibiting the Buyers or its successors from applying to the City for tax-exempt property status. A \$2,500 performance deposit regarding duty to complete renovations will also be including in the City's Purchase and Sale Agreement and the recorded deed.