

LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

January 31, 2017

RESPONSIBLE STAFF

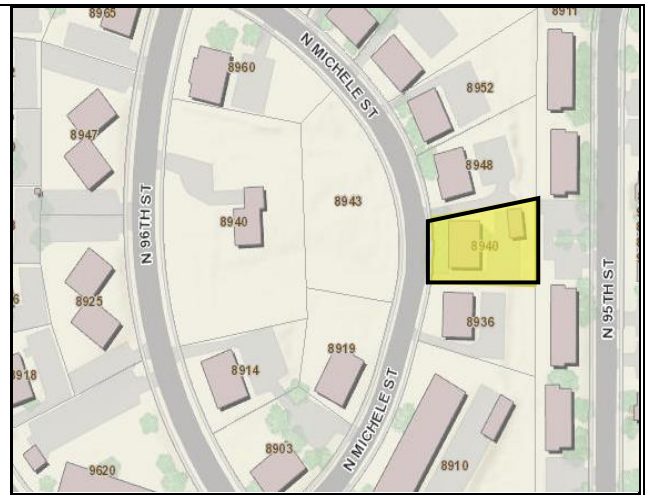
Dwayne Edwards, Program Manager, DCD

PARCEL ADDRESS AND DESCRIPTION

8940 North Michele Street (the "Property"): A 6,720 SF two-story, eight-unit apartment building situated on a 22,660 SF lot, which includes a four-car garage and on-site parking. The building was built in 1980 and was acquired by the City of Milwaukee ("City") on January 4, 2016 through property tax foreclosure.



CITY MULTI-FAMILY PROPERTY FRONT VIEW



Site Map of 8940 North Michele Street



CITY PROPERTY





BUYER'S MULTI-FAMILY PROPERTY AT 9020 NORTH 96TH STREET AFTER RENOVATIONS

BUYER

Berrada Properties Management Inc. ("Berrada Properties") is wholly owned by Youseff "Joe" Berrada. Berrada Properties will assign its right to purchase the Property to an LLC to be formed that will be wholly owned by Mr. Berrada. The newly formed LLC will assume Berrada Properties obligations under the Purchase and Sale Agreement. Mr. Berrada has more than 20 years of experience in the rental property industry, which includes property management, tenant screening, evictions and landscaping services. Mr. Berrada hopes acquiring the apartment building will add value to this stretch of Michele Street.

PROJECT DESCRIPTION

Berrada Properties proposes to operate an eight-unit apartment building at the site. The Buyer's renovation scope of work includes a total interior rehab of all units, including, but not limited to, electrical and plumbing upgrades, bathroom vanities, new mechanicals, new flooring, new doors, painting, window replacement, security systems and ceiling work. Exterior repairs include power washing of brick work as needed, minor roof repair, tuck-pointing, new asphalt driveway, new sidewalk, garbage enclosure for dumpsters, security cameras, doors, signage and landscaping features. The Buyer's estimated renovation costs are approximately \$75,000.

A significant portion of the work will be completed by Mr. Berrada's affiliated companies, which collectively bring a wealth of rental rehabilitation experience to the project. Certain City approvals may be required in addition to the approval of the Land Disposition Report. Closing is contingent upon the Buyer obtaining all necessary approvals, financing and DCD's approval of the final building elevations.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$150,000. Purchase and renovation expenses will be financed by the Buyer and personally guaranteed by Mr. Berrada.

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 and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee; the remaining proceeds shall be credited to the Delinquent Tax Fund.