

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

DATE

May 23, 2024

RESPONSIBLE STAFF

Rhonda Szallai, Real Estate, Department of City Development

PARCEL ADDRESS & DESCRIPTION

2743 North 59th Street ("Property"). The home was built in 1924 and the commercial addition was built in 1970 and last used as a tavern. The home has two bedrooms with 1,188 square feet and the commercial unit is 820 square feet. The Property was acquired by the City of Milwaukee through tax foreclosure in September 2016. The former owner was a tenant in the home until 2021 when he passed away.



BUYER/ PROJECT DESCRIPTION

Brandon Frank Wagner or his assignee ("Buyer"), will purchase and renovate the Property for his residence and use the commercial unit as the Contractor shop for his roofing remodeling business.

The Buyer is the owner of Affordable Roofing Remodeling, LLC and has been in business for 12 years and has one employee. The Buyer is in the process of becoming a licensed Contractor in the City of Milwaukee. The Buyer plans to renovate the residence to live in and use the commercial space for his roofing remodeling business where customers can view sample materials and make selections for their projects. All materials and equipment will be stored inside the commercial unit. The garage for the residence recently collapsed and the Buyer hopes to replace it in the future after the residence and commercial space are renovated.

The Buyer currently lives three doors to the south of this Property in a duplex at 2725A N 59th St. After moving into 2743 N 59th St, the Buyer will rent out the duplex he currently lives in.

The Buyer estimates spending approximately \$44,050 to purchase and renovate the

Property using his expertise, self-help labor and pool of Contractors as needed for the renovations.

PURCHASE TERMS AND CONDITIONS

The purchase price will be \$20,000. The conveyance will be on an "as is, where is" basis including all environmental and geotechnical conditions, if any.

There is no Real Estate Broker involved in this sale.

The Property is zoned LB2 and the proposed use as a Contractor Shop is allowed under LB2 zoning. A Contractor Shop is required to store all materials and equipment indoors. If there is any outdoor activity or storage from the business, a special use permit will be required from the Board of Zoning Appeals.

The Property will be fully taxable. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status.

The Buyer has agreed to a deed restriction for owner-occupancy for a period of three years.

The Buyer will also pay a \$1,000 performance deposit regarding the Buyer's duty to complete renovations and obtain a Certificate of Completion within 18 months of closing.

The Buyer will be required to meet the City's General Buyer Policies and execute a City Purchase and Sale Agreement, which will outline all terms of the transaction. 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, with the remaining proceeds being deposited in the City's Tax Deficit Fund.

Due Diligence Checklist
Address: 2743 North 59th Street

<p>The Commissioner's assessment of the market value of the property.</p>	<p>2743 North 59th Street ("Property"): The home was built in 1924 and the commercial addition was built in 1970 and last used as a tavern. The home has two bedrooms with 1,188 square feet and the commercial unit is 820 square feet. The Property was acquired by the City of Milwaukee through tax foreclosure in September 2016.</p> <p>Council file no. 230431 approved a sale to Hall Quality Construction, LLC that failed to materialize in 2023. Since that time, the garage collapsed.</p> <p>The price for the Property will be \$20,000.</p>
<p>Full description of the development project.</p>	<p>Brandon Frank Wagner or its assignee ("Buyer") plans to purchase and renovate the Property as an owner-occupied residence and Contractor shop for his roofing/remodeling business. All materials and equipment will be stored inside.</p> <p>The Buyer understands that the proposed project may require certain City approvals in addition to the approval of the Land Disposition Report.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>The Buyer plans to replace the front window and door on the commercial unit, replace the roof, soffit, and fascia on the house, replace windows, paint and replace carpet, and renovate a bathroom.</p> <p>The Buyer will remove dead and overgrown landscaping and plant new where needed.</p>
<p>Developer's development project history.</p>	<p>The Buyer has been in the roofing remodeling business for 12 years. He will do most of the work himself and use his pool of Contractors as needed.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>The Buyer estimates spending about \$44,050 to purchase and renovate the Property. This will be a cash sale.</p>
<p>Project cash flows for the lease term for leased property.</p>	<p>Not Applicable. The Property will be owner-occupied.</p>
<p>List and description of project risk factors.</p>	<p>The closing is contingent upon the Buyer, at Buyer's cost, obtaining all necessary approvals and financing if needed.</p>
<p>Tax consequences of the project for the City.</p>	<p>The property will be fully taxable. 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 require owner-occupancy for three years.</p>