

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

DATE
September 10, 2019

RESPONSIBLE STAFF
Dwayne Edwards, Program Manager, DCD

PARCEL ADDRESS AND DESCRIPTION
2241-43 South Muskego Avenue (the "Property"): A 2,268 square-foot two-story vacant mixed-use building, with a lot area of approximately 3,168 square-feet. The City of Milwaukee ("City") acquired the Property on January 15, 2019 through property tax foreclosure.



 City Property

BUYER

Ms. Mohamed, (the "Buyer") grew up in Ponce, Puerto Rico and arrived in Milwaukee in 2006 with her children. She studied at MATC and received an Associate's Degree in Early Childhood Development. She opened her own daycare in Milwaukee, operating two shifts, seven days a week. In 2015, the Buyer opened an adult family home in Racine, WI where she cares for four clients with 10-12 caregiver employees working with elderly clients, 24/7. In 2017, Ms. Mohamed opened a second elderly care facility, serving another four clients. The Buyer now has aspirations of owning and opening a beauty and hair salon in Milwaukee at the property on Muskego Avenue.

Improvements will include removing the sign board, new roof, siding, windows and doors, in addition to having clear glazing on the storefront window.

PROJECT DESCRIPTION

Suher Mohamed or its assignee is purchasing the property for live-work space. Ms. Mohamed, plans to operate and manage a full service beauty and hair salon in the lower unit and reside upstairs. She plans to

hire six to eight full-time employees. Real Estate agent, Daniel Balderas contacted Department of City Development ("DCD") real estate staff about the Property on behalf of the Buyer.

The Buyer's estimated renovation costs are \$65,000 and a portion of the work will be completed through "sweat equity." Ms. Mohamed has successfully purchased and renovated several properties.

The Buyer may need certain City approvals in addition to the approval of the Land Disposition Report. Closing is contingent upon the Buyer obtaining all necessary approvals, financing and DCD approval.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$35,000. The Buyer may seek City assistance for the renovation work or choose to do the improvements privately. The conveyance of the Property will be on an "as is, where is" basis. The deed of conveyance will include 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 deposited in the Delinquent Tax Fund.

Due Diligence Checklist
Address: 2241-43 South Muskego Avenue

<p>The Commissioner's assessment of the market value of the property.</p>	<p>The "Property" at 2241-43 South Muskego 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 was previously occupied as a residential duplex.</p> <p>The purchase price for the Property is \$35,000. The building has considerable deferred maintenance, including fire damage that has negatively affected the interior of the building, including defective electrical and plumbing.</p>
<p>Full description of the development project.</p>	<p>The Buyer, Suher Mohamed, plans to renovate the property to operate a hair and beauty salon in the commercial space and reside in the second floor apartment unit.</p> <p>Renovations include a total interior rehab for the salon and will include a small reception area. Repairs also will include, but are not limited to, electrical and plumbing upgrades, bathroom updates, new mechanicals, new flooring, new doors, painting, window replacement and ceiling work. Exterior repairs include windows, signage and roof repair.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>Facade modifications will include new doors, windows with clear glazing and siding as needed.</p>
<p>Developer's development project history.</p>	<p>The Buyer has purchased and rehabilitated other properties in the City of Milwaukee. The Buyer has no outstanding violations on any properties.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>The estimated renovation and improvement costs are \$65,000. The Buyer is considering conventional financing and/or personal equity to finance renovations.</p>
<p>Project cash flows for the lease term for leased property.</p>	<p>Not applicable.</p>
<p>List and description of project risk factors.</p>	<p>If the building remains vacant, the deferred maintenance and costs to cure will continue to increase. Continued vacancy of the building will serve as a hindrance to efforts to redevelop the Property.</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 her successors from applying to the City for tax-exempt property status.</p>