

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

DATE

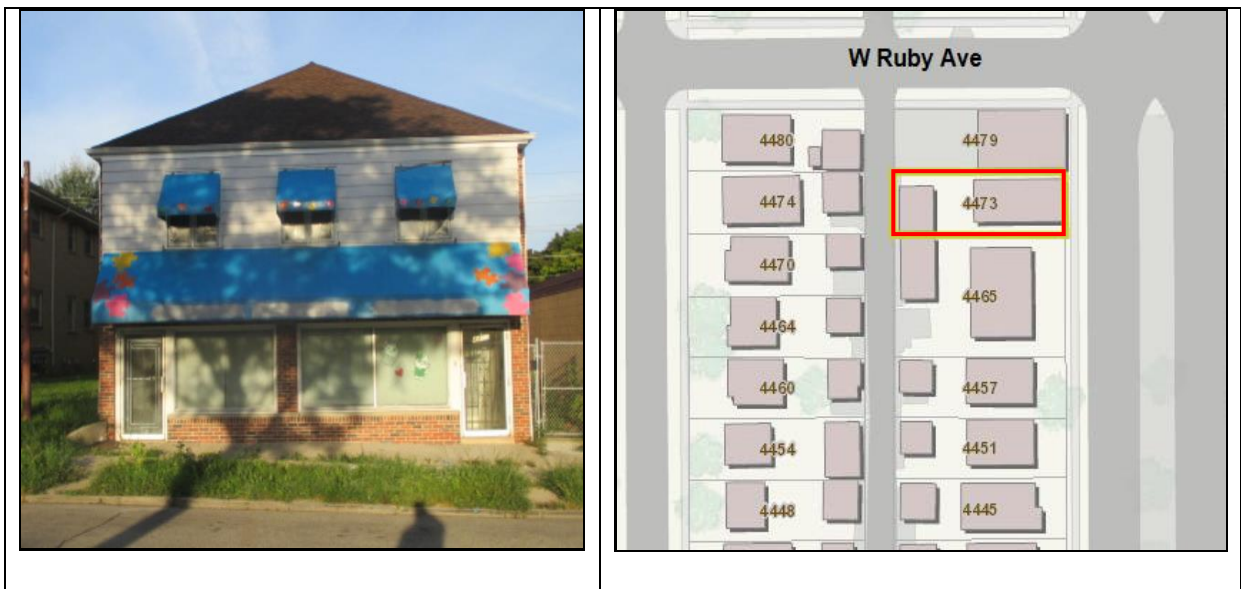
September 10, 2019

RESPONSIBLE STAFF

Dwayne Edwards, Program Manager, DCD

PARCEL ADDRESS AND DESCRIPTION

4473 North 76th Street (the "Property"): A 5,121 square-foot two-story, mixed-use building, previously used as a day care from 1996-2015, is situated on a 4,800 square-foot lot. The building was built in 1966 and was acquired by the City of Milwaukee ("City") on September 8, 2016 through property tax foreclosure. The Property is located in the Columbus Park neighborhood.



CITY PROPERTY FRONT VIEW

 **CITY PROPERTY**

BUYER

Malaka Bland and Kentrell Tolliver (the "Buyers") will assign its right to purchase the property to an LLC to be formed that will be wholly-owned by Ms. Bland and Mr. Tolliver. The newly formed LLC will assume the Buyers obligations under the Purchase and Sale Agreement. The Buyers have been educators with Milwaukee Public Schools for over 10 years and bring a wealth of experience in the childcare field. Services will include providing early care and education to children of different age groups such as infants, toddlers, preschoolers and school-age children.

The Buyers' goal is to make the business into a quality full-service childcare program that will benefit both the parents and the child. The Buyers will offer services year-round, Monday through Friday from 6 am until 10 pm. The Buyers project hiring seven full-time employees and three part-time employees, with wages expected to average \$12.00 per hour. Employee benefits will include dental and vision.

PROJECT DESCRIPTION

The Buyers' proposed renovations to the interior units include, but will not be limited to, electrical and plumbing upgrades, new mechanicals, flooring, doors, painting, security systems and minor ceiling repair. The Buyers will maintain the existing glazing along the street frontage and will not

be making significant changes to the building or any changes with the material appearance of the building. Exterior repairs will include power washing of brick, as needed, tuck pointing as needed, new signage. The Buyers' estimated renovation costs are approximately \$70,000. All work will be completed by certified and licensed companies.

Certain City approvals may be required in addition to the approval of the Land Disposition Report. The Buyers propose to meet all local and state requirements for day care services.

Closing is contingent upon the Buyers obtaining all necessary approvals, financing and DCD's approval of the final building elevations.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$95,000. Purchase and renovation expenses will be financed by the Buyers and will be personally guaranteed by the Buyers.

The conveyance of the Property will be on an "as is, where is" basis. The deed of conveyance will contain a restriction prohibiting the Buyers from applying to the City for tax-exempt property status. A 30 percent disposition fee shall be paid to the Redevelopment Authority of the City of Milwaukee, less sale and marketing expenses and the remaining proceeds shall be credited to the Delinquent Tax Fund.

Due Diligence Checklist
Address: 4473 North 76th Street

<p>The Commissioner's assessment of the market value of the property.</p>	<p>The "Property" at 4473 North 76th Street is being sold "as is, where is," without any guarantees to 4473 North 76th Street, LLC, or its assignees. The Property is zoned NS1 or Neighborhood Services. The two-story, mixed-use building was previously occupied as a day care from 1996-2015.</p> <p>The purchase price for the Property is \$95,000. The building has significant deferred maintenance, including roof leaks, interior damage to walls and ceilings and broken windows that have negatively affected the portions of the building.</p>
<p>Full description of the development project.</p>	<p>The Buyers' renovation scope of work includes minor rehabilitation to operate a full-service childcare business. Exterior repairs include power washing of brick, tuck pointing, as needed, and replacing windows.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>Facade modifications will include doors, window replacements and new signage and other approved improvements as needed.</p>
<p>Developer's development project history.</p>	<p>Ms. Malaka Bland and Mr. Ken Tolliver, bring more than 10 years of experience in the childcare industry, which includes teaching, mentoring and a multitude of qualifications for state certified childcare and education.</p> <p>This will be the Buyers' first City commercial property purchase.</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 \$70,000. The Buyers are considering conventional financing and working with the Milwaukee Economic Development Corporation for financing. The Buyers also will use 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>DCD staff determined that 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 Buyers anticipate investing \$70,000 in the Property, which will become 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.</p>