

LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

October 6, 2015

RESPONSIBLE STAFF

Matthew Haessly, Real Estate Specialist, DCD

PARCEL ADDRESS AND DESCRIPTION

3419 West Forest Home Avenue (the "Property") consists of a 10,838 SF mixed-use building on a 5,580 SF parcel. The Property is zoned IO2 or Industrial-Office. The building was previously occupied by a tavern on the first floor and there is an upper residential unit. The Property was acquired through property tax foreclosure in July, 2014. The Property is located within the Layton Park Neighborhood.



BUYER

John Otradovec has worked in the snack business since 2001. Snack America, LLC was founded in 2013 by John Otradovec, Manager, Member (the "Buyer"). Snack America prepares and packages snack products for Snack America as well as other entities. The business also leases snack equipment.

PROJECT DESCRIPTION

Snack America proposes to renovate the mixed-use building. Renovation activities include restoring the upstairs residential unit for the Buyer's employees. The Buyer also plans to renovate and add the following uses in the basement and first floor areas: kitchen to produce snack products, packaging department, wholesale storage and distribution, snack equipment rental and a retail component.

Many of the snacks the Buyer currently handles include, but are not limited to, sausage links, chips, popcorn, roasted nuts and snow cones.

The estimated renovation and improvement costs are \$58,000. The Buyer is considering

conventional financing, private investors and/or personal equity, while also exploring available City grants that may be applicable.

PURCHASE TERMS AND CONDITIONS

The purchase price will be \$69,950. The conveyance will be on an "as is, where is" basis. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status. At closing, a commission will be paid to the commercial broker that submitted the offer on behalf of the Buyer. Also 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 deposited in the Delinquent Tax Fund.