

LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

July 17, 2019

RESPONSIBLE STAFF

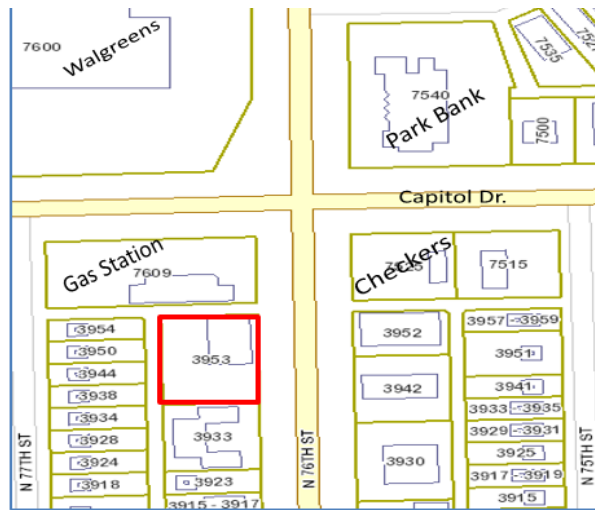
Dwayne Edwards, Program Manager, DCD

PARCEL ADDRESS AND DESCRIPTION

3953 North 76th Street (the "Property") consists of a multi-story brick office building constructed in 1970, having 21,000 square-foot of space on a 19,200 square-foot parcel with approximately 30 surface parking spaces. The Property was previously occupied as a multi-tenant office building and is located in close proximity to West Capitol Drive Commercial Corridor. The Property is zoned LB1 or Local Business and located within the Nash Park Neighborhood and was acquired through property tax foreclosure on November 14, 2011.



City commercial property southeast view



City Property

BUYER

Annette Veasey, Myron Duckworth and Margaret Duckworth are the principals of S.M.I.L.E. Inc. S.M.I.L.E. Inc. plans to relocate from 4222 West Capitol Drive to the City property so that it can expand services and training, modernize operations and meet the growing demands of Milwaukee residents.

S.M.I.L.E. Inc. impacts the community in a positive manner through supportive services for customers of all ages throughout the greater Milwaukee area. S.M.I.L.E. Inc. will provide job training, GED services, construction trades training and certification; AODA counseling several evenings per week; job placement and other supportive services to the community.

S.M.I.L.E. HEADQUARTERS

3953 NORTH 76TH STREET



CONCEPTUAL ARCHITECTURAL RENDERING

PROJECT DESCRIPTION

The Buyer proposes to renovate the building by adding a new entrance, roof, plumbing, electrical, floors, ceiling and an HVAC system. The estimated renovation and improvement costs are approximately \$400,000. The Buyer is considering conventional financing, private investors and/or personal equity, while also exploring available City grants that may be applicable.

The Buyer understands that any changes or modifications to the exterior facade may require approval and permits from the City of Milwaukee.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$45,500. The building has considerable deferred maintenance, including a leaking roof, that has affected the interior of the building and defective electrical and plumbing.

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 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: 3953 North 76th Street

<p>The Commissioner's assessment of the market value of the property.</p>	<p>3953 North 76th Street consists of a multi-story brick office building constructed in 1970, having 21,000 square-foot of space on a 19,200 square-foot parcel with approximately 30 surface parking spaces. The property was previously occupied as a multi-tenant office building and is located in close proximity to West Capitol Drive Commercial Corridor. The Property is zoned LB1 or Local Business and located within the Nash Park Neighborhood and was acquired through property tax foreclosure on November 14, 2011.</p> <p>The purchase price for the Property is \$45,500. The building has considerable deferred maintenance, including a leaking roof and defective electrical and plumbing. The leaking roof has negatively affected the interior of the building.</p>
<p>Full description of the development project.</p>	<p>S.M.I.L.E. Inc. (the "Buyer") is currently located at 4222 West Capitol Drive. The Buyer is in need for additional space to expand services to residents and address future needs.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>Facade modifications and landscaping plans were reviewed and approved by the City Planning staff. The Buyer agreed with recommendations and understands that any future changes or modifications to the exterior facade may require approval from the City of Milwaukee.</p>
<p>Developer's development project history.</p>	<p>This is the Buyer's first development project. The Buyer has assembled a team of experienced trade members to complete the project within 12 months and within the organization's budget.</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 approximately \$400,000. The Buyer is considering conventional financing, private investors and/or personal equity, while also exploring available City grants that may be applicable.</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 on efforts to redevelop the property and continue to be a blight along West Capitol Drive businesses.</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.</p>

