

**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

4329-31 West Fond du Lac Avenue (the "Property"): A 4,800 square-foot vacant commercial parking lot. The City of Milwaukee ("City") acquired the Property on February 1, 1988 through property tax foreclosure. The Property is located in the Sunset Heights neighborhood in the 7th Aldermanic District.



Owner Property and City lot



City Property map view

BUYER

Maurice Wince and Yashica Spears (the "Buyers") are currently renovating 4323-25 West Fond du Lac Avenue as a commercial kitchen. This endeavor will bring an efficient professional grade commercial kitchen designed for production and food safety for budding entrepreneurs. The space allows novice foodies and start-up businesses a more mainstream environment, whether they are making a few batches of cookies a week or supplying goods to all the grocery store chains in the area.

Customers will be able to design, bake and produce products to meet industry safety standards. The Buyers state that anticipated target market projects 85 percent minority or women-owned businesses will use the commercial kitchen.

The Buyers also own and manage a successful daycare business at 4313-15 West Fond du Lac Avenue. The Buyers have purchased and developed nearly a dozen City-owned properties over the past several years.

PROJECT DESCRIPTION

The Buyers seek to expand the footprint of its commercial kitchen incubator to better serve customers by adding additional equipment to expand the commercial kitchen. This expansion can only occur if the Buyers can acquire the Property. The Property will also provide parking for employees, customers, and vendors training at this location.

The Buyers contacted the City's Real Estate staff about the property after incorporating it into expansion plans and realizing they did not own the property. The Buyers desire to purchase the Property, to expand the commercial kitchen that will include adding a commercial exhaust system, paving the parking lot, and striping. The Buyers expect to add three full-time positions and two part-time positions after the expansion is completed.

The Buyers' estimated renovation costs are \$15,000 and a portion of the landscaping work will be done through "sweat equity" and volunteers. The Buyers may need certain City approvals in addition to the approval of the Land Disposition Report. Closing is contingent upon the Buyers obtaining all necessary approvals and financing.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$3,500. Wince and Associates, Inc., will not seek City assistance for funding the project. The conveyance of the Property will be on an "as is, where is" basis and will be joined with the Buyers' existing parcel. The deed of conveyance will contain a restriction prohibiting the Buyers from applying to the City for tax-exempt property status. At closing, the sale proceeds, less sale and marketing expenses and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee, shall be credited to the Delinquent Tax Fund.

Due Diligence Checklist
Address: 4329-31 West Fond du Lac Avenue

The Commissioner's assessment of the market value of the property.	The "Property" at 4329-31 West Fond du Lac Avenue is a 4,800 square-foot vacant commercial parking lot. The City of Milwaukee acquired the Property on February 1, 1988 through property tax foreclosure. The purchase price is \$3,500, which factors in the overall condition of the Property. The City is selling the Property "as-is, where-is," without any guarantees.
Full description of the development project.	Maurice Wince and Yashica Spears (the "Buyers") are currently renovating 4323-25 West Fond du Lac Avenue as a commercial kitchen and need the City vacant lot for parking. Additional parking for employees, customers and vendors will be needed for the facility.
Complete site, operations and scope of work for redevelopment.	Please see the Land Disposition Report for details.
Developer's project history.	The Buyers' have purchased and renovated multiple City properties, including 4313-15 West Fond du Lac Avenue for a successful daycare business. The Buyers will provide entrepreneurs a professional environment to hone retail products and catering skills for sale and distribution to a clientele basis that reaches throughout southeastern Wisconsin and regionally.
Capital structure of the project, including sources, terms and rights for all project funding.	The estimated renovation costs of \$15,000 include personal funds and "sweat equity" on the City vacant lot. The Buyers have an experienced general contractor and are overseeing the project.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	DCD staff determined that there is no foreseen risk in selling the Property to the Buyers. Staff determined the expansion project will generate foot traffic and retail opportunities for customers using the facility.
Tax consequences of the project for the City.	The deed of conveyance will contain a restriction prohibiting the Buyers from applying to the City of Milwaukee for tax-exempt property status.