

LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

October 22, 2022

RESPONSIBLE STAFF

Rhonda Szallai, Real Estate, Department of City Development ("DCD")

PARCEL ADDRESS & DESCRIPTION

2917-23 North Holton Street (the "Property"): The former Grand Theater building built in 1911 has 6,846 square feet on an 8,314 square foot lot and was acquired by the City of Milwaukee ("City") through tax foreclosure in September of 2016. The property was last used as a Church and has been vacant since approximately 2015.



BUYER/ PROJECT DESCRIPTION

Tati Investments LLC or its assignee ("Buyer"). The Buyer proposes to purchase and renovate the Property as an owner-occupied Artist Studio and Property Management office.

Conceptual rendering:



Buyer estimates spending \$154,000 to purchase and renovate the Property using his own pool of Contractors used in his property management business.

PURCHASE TERMS AND CONDITIONS

The purchase price will be \$15,000. The conveyance will be on an "as is, where is" basis including all environmental and geotechnical conditions, if any.

Building and site plans will require approval from DCD Design Review Team and Historic Preservation Commission staff.

A broker commission of 7 percent will be paid from closing proceeds to Pedro Rivera of ReThought Real Estate.

The Property is zoned RT4 and requires Board of Zoning Appeals ("BOZA") approval for Special Use permits. BOZA conditionally approved the proposed uses at their meeting on October 6, 2022.

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.

Purchase and Sale Agreement will require a Performance Deposit of \$1,000 that will be returned after the Buyer provides DCD with a Certificate of Occupancy within 18 months of the closing date.

At closing, subtracted from the sale proceeds will be sales expenses and a 30 percent disposition fee that shall be paid to the Redevelopment Authority of the City of Milwaukee; the remaining sale proceeds shall be deposited in the Tax Deficit Fund.

Due Diligence Checklist
Address: 2917-23 North Holton Street

<p>The Commissioner's assessment of the market value of the property.</p>	<p>2917-23 North Holton Street (the "Property"): The former Grand Theater building built in 1911 has 6,846 square feet on an 8,314 square foot lot and was acquired by the City of Milwaukee ("City") through tax foreclosure in September of 2016. The property was last used as a Church and has been vacant since approximately 2015.</p> <p>The price for the Property will be \$15,000.</p>
<p>Full description of the development project.</p>	<p>Tati Investments LLC. or assignee ("Buyer") proposes to convert the Property into an owner-occupied Artist Studio and Property Management Offices.</p> <p>The Buyer understands that the proposed project requires certain City approvals in addition to the approval of the Land Disposition Report.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>Building and site plans will require approval from DCD Design Review Team and Historic Preservation Commission staff.</p> <p>DRT and HPC have provided their conditional approval for the building renovations and site plan.</p>
<p>Developer's development project history.</p>	<p>The Buyer has a good track record with DCD in purchasing and renovating residential properties.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>Buyer estimates spending \$154,000 to purchase and renovate the Property. Buyer will pay cash for the purchase and renovations. They plan to apply for Commercial Revitalization Grant funds for signage, façade and storefront activation through the City to assist with renovations but it's not required for the sale.</p>
<p>Project cash flows for the lease term for leased property.</p>	<p>Not Applicable. Property will be owner-occupied.</p>
<p>List and description of project risk factors.</p>	<p>The closing is contingent upon the Buyer, at Buyer's cost, obtaining all necessary approvals and financing.</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</p>

	property status.
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