

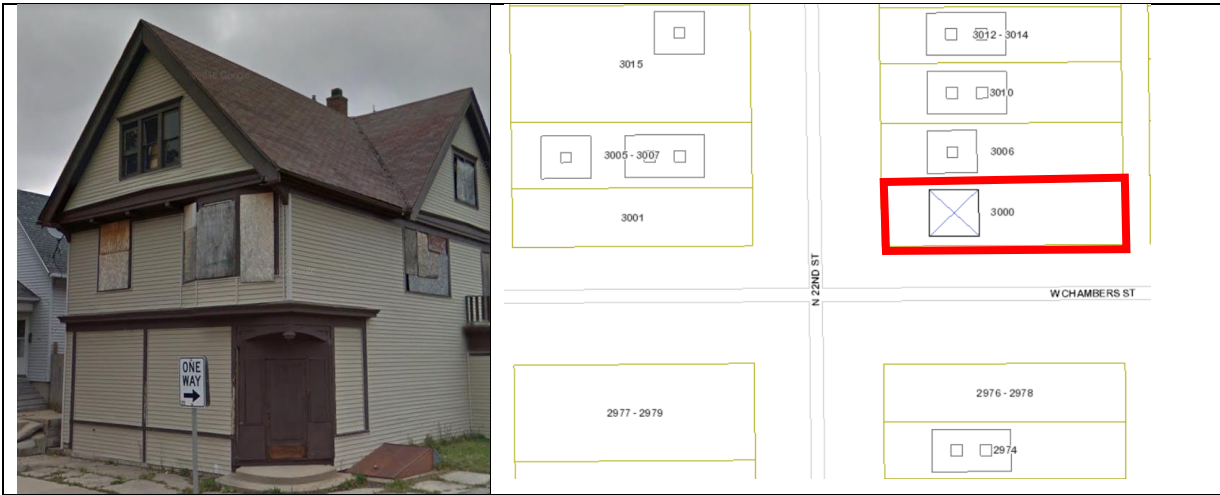
**LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE
September 10, 2019

RESPONSIBLE STAFF
Dwayne Edwards, Program Manager, DCD

PARCEL ADDRESS & DESCRIPTION

3000 North 22nd Street (the "Property") consists of a 3,640 square-foot mixed-use building. The building has a ground floor storefront and two second floor apartments. The building was constructed in 1916. The lot size is approximately 4,600 square-foot. The Property was acquired through property tax foreclosure on November 7, 2017. The Property is located within the Park West neighborhood.



City Property

Map of City Property



BUYER'S CONCEPTUAL RENDERING OF 3000 NORTH 22ND STREET

BUYER

By The Block, LLC ("BTB"), or assignee, was established in 2019 and is managed by Artanya and Carl Wesley, Jr. (the "Buyers"). The Buyers' propose to renovate this City property and bring a neighborhood "mini-market" grocery store to residents of the 53206 zip code. Dr. Carl Wesley grew up most of his entire life on the very street corner that he chose as the home of this urban fresh market. The Buyers are both invested in the neighborhood with Mr. Wesley's grandmother still residing on this block.

BTB intends to combat the food desert syndrome by re-imagining the fresh mini-markets within low-income communities with the "Fresh 2 Fork" concept. The innovation of the mini-market concept allows residents access to fresh organic food options without having to travel miles outside of their communities. This model also includes educational components that are designed to teach youth healthy food preparation techniques they can take home for the family and retain as life skills. The Fresh 2 Fork model is designed to keep prices low while allowing consumers the opportunity to taste the difference of quality in locally sourced organic products as opposed to foods shipped and trucked from other parts of the country.

PROJECT DESCRIPTION

BTB proposes to restore the commercial spaces for a fresh re-imagination of the neighborhood mini-market that many of us knew growing up in urban areas. BTB will create two market-rate apartments on the second floor for on-site employees. The Buyers may seek financing from the City's Neighborhood Improvement Development Corporation ("NIDC") Rental Rehabilitation Loan Program. The Buyers also may explore other City grant programs to assist with renovation for the retail space.

The Buyers will not draw a salary during the first two years of operation, so they can reinvest all profits into growing the business. They anticipate by year three that growth will increase exponentially. The plan also includes expanded services and markets to other local grocers and food trucks with locally sourced organic food.

The estimated renovation and improvement costs are \$207,000, much of which will include "sweat equity."

PURCHASE TERMS AND CONDITIONS

The purchase price is \$1,000. The conveyance will be on an "as is, where is" basis, including environmental concerns, if any. The deed of conveyance will contain a restriction prohibiting the Buyers 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 deposited in the Delinquent Tax Fund.

Due Diligence Checklist
Address: 3000 North 22nd Street

The Commissioner's assessment of the market value of the property.	3000 North 22nd Street (the "Property") is being sold "as is, where is," without any guarantees. The price for the Property is \$1,000, which adequately reflects the overall condition of the Property, including the deferred maintenance. The estimated renovation and improvement costs are approximately \$207,000, which will include some "sweat equity."
Full description of the development project.	The Buyers propose to restore the commercial space for a fresh re-imagination of the neighborhood mini-market called "Fresh 2 Fork" grocery and renovate the two apartments on the second floor for employee rental units. The Buyers may apply to the City's Neighborhood Improvement Development Corporation ("NIDC") Rental Rehabilitation Loan Program. The Buyers also may pursue other City grant programs to assist with renovation for the retail space.
Complete site, operation and landscaping plans and architectural renderings for new construction or redevelopment.	The Buyers will restore the street façade, signage and add window glazing along the street frontage.
Developer's development project history.	<p>By the Block, LLC ("BTB") was established in 2019 and is managed by Artanya and Carl Wesley (the "Buyers"). Carl Wesley, who grew up on North 22nd Street and West Chambers Street, is deeply vested in the area with his grandmother still residing on this block. This will be the Buyers' first mixed-use development project.</p> <p>BTB's intends to combat the food desert syndrome by re-imagining the fresh mini-markets within low income communities.</p>
Capital structure of the project, including sources, terms and rights for all project funding.	The Buyers may apply to the City's Neighborhood Improvement Development Corporation ("NIDC") Rental Rehabilitation Loan Program. Other City grant programs such as the facade, signage and white box programs will be pursued to assist with renovation of the commercial units in addition to private funds and conventional financing. The majority of the improvements will be through the Buyer's sweat equity.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	If the building remains vacant, the deferred maintenance and costs to cure will continue to go up.
Tax consequences of the project for the City.	The deed of conveyance will contain a restriction prohibiting the Buyers or assignees from applying to the City of Milwaukee for tax-exempt property status. Thus, a vacant, tax-exempt property will be returned to the property tax rolls.