

LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

March 18, 2016

RESPONSIBLE STAFF

Matthew Haessly, Real Estate Specialist, DCD

PARCEL ADDRESS AND DESCRIPTION

5124-26 West Center Street (the "Property") consists of a 3,380 SF building, with three residential units and one commercial unit situated on a 3,600 SF parcel. The Property is zoned LB2 or Local Business and is located within Business Improvement District No. 39. The Property was acquired through property tax foreclosure in July, 2015. The Property is located within the Saint Joseph Neighborhood.



BUYER

Vega Properties, LLC, (the "Buyer") is owned by Nikita and Veronika Outrobine. The Buyer currently owns and operates two apartment buildings in Milwaukee located at 2936 West Kilbourn Avenue and 5120 West Center Street. The Buyer's offices are currently located in Menomonee Falls and it is planning to move its offices to 5124 West Center Street. The Buyer also has completed the City's Landlord Training Program.

PROJECT DESCRIPTION



The Buyer proposes to renovate the two, 2-bedroom and one, 1-bedroom apartments and is planning to use the first floor commercial space as the new offices for Vega Properties, LLC.

Exterior renovations will include tuck pointing, painting wood surfaces, replacing the doors and windows and installing clear glazing and transom along the Center Street frontage similar to the illustration (left). The renovation costs are approximately \$135,000.

The Buyer is considering conventional financing and/or personal equity, along with exploring available City grants and the rental rehabilitation program.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$4,000. 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 credited to the Delinquent Tax Fund.