

**LAND DISPOSITION REPORT AND DUE DILIGENCE CHECKLIST  
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

**DATE**


January 9, 2024

**RESPONSIBLE STAFF**

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Department of City Development

**PARCEL ADDRESSES AND DESCRIPTION**

3700-02 and 3706 North Teutonia Avenue (together, the "Property"), is a 3,478 square foot brick mixed-use building constructed in 1923 (four units – one retail space; one 1-bedroom apartment; and two 2-bedroom apartments). 3706 North Teutonia Avenue is a vacant lot with a billboard. The combined parcels provide a total lot area of approximately 6,758 square feet. The City of Milwaukee ("City") acquired the parcel with the multi-unit structure on it at 3700 North Teutonia on January 4, 2016 through property tax foreclosure. The City of Milwaukee acquired the vacant lot with the billboard on it at 3700 North Teutonia on September 14, 2015 through property tax foreclosure.

	
<p>City commercial property front view, looking southwest on North Teutonia Avenue.</p>	<p>3700-02 North Teutonia Avenue,  Brick mixed-use building. 3706 North Teutonia Avenue</p>

**BUYER**

3706 Property Investments LLC (the "Buyer"), is owned and managed by Antwone Williams. The Buyer plans to use the commercial space to manage operations for his real estate business.

The Buyer has been in the retail business for over 20 years and has previously renovated two multi-family properties in the 6<sup>th</sup> Aldermanic District. The Buyer also previously owned a commercial building at 3829 West North Avenue, in the 15<sup>th</sup> Aldermanic district. The Buyer has passed by the Teutonia Avenue property on numerous occasions and saw this as an opportunity to purchase and renovate for his real estate business and bring vitality to the area.

**PROJECT DESCRIPTION**

The Buyer proposes to renovate the commercial portion of the property for a small office space and renovate the three apartments to create market-rate rental units.

The property renovations at 3700-02 North Teutonia Avenue will require an interior gut renovation for office space. A vehicle hit the commercial building at 3700-02 North Teutonia, creating damage to the space requiring substantial renovation work. Other planned improvements include a new stairwell for upstairs apartments, flooring, plumbing upgrades, HVAC and new electrical throughout the building. Exterior improvements will include foundation work, tuckpointing brick, adding windows with clear glazing, new doors, security cameras, lighting to the front entrance and east side of property, power washing of brick and other amenities.

The Buyer has secured financing from a local lender that together with Buyer's personal savings to complete the renovation. The Buyer may seek commercial corridor grant resources, if available. The Buyer's project may require certain City approvals. Closing is contingent upon the Buyer obtaining all necessary approvals, financing and Department of City Development approval of the final building exterior elevations. Total estimated rehabilitation costs are approximately \$140,000.

**PURCHASE TERMS AND CONDITIONS**

The purchase price is \$5,000 and Buyer shall pay all costs at closing. The conveyance will be on an "As-Is, Where-Is" basis. The Buyer agrees to obtain all necessary City permits and approvals, including Board of Zoning Appeals approvals, as required. The Buyer will pay a \$1,000 performance deposit regarding Buyer's duty to complete renovation and obtain a Certificate of Completion, by February 22, 2025.

Buyer will be required to meet the City's General Buyer Policies. The Buyer will execute a City Purchase and Sale Agreement, which will outline all terms of the transaction. The City Planning staff reviewed the Buyer's plans for renovation of the building and also provided guidelines dated December 5, 2023 that will be included in the City's Purchase and Sale Agreement ("PASA").

The deed of conveyance will contain a restriction prohibiting the Buyer, or its successors, from applying to the City for tax-exempt property status and a deed restriction prohibiting the Buyer from conveying to another party prior to Buyer obtaining the Certificate of Completion. Also, the Buyer consents to a deed restriction prohibiting the property from being used as a: cigarette, vape or cigar shop, gun shop, liquor store, auto-title loan store, medical services facility or other uses not permitted by City zoning.

At closing, subtracted from the sale proceeds will be sale and marketing expenses and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee, with the remaining proceeds being deposited in the Delinquent Tax Fund.

## DUE DILIGENCE CHECKLIST

ADDRESSES: 3700-3706 NORTH TEUTONIA AVENUE

The Commissioner's assessment of the market value of the property.	The Properties at 3700-02 and 3706 North Teutonia Avenue are being sold "As Is, Where Is," without any guarantees. The property is zoned LB2 or Local Business. The multi-story mixed use building was previously occupied as a neighborhood barber shop. The purchase price for the property is \$5,000. The property has considerable deferred maintenance, including damage to the stairs, roof, foundation and exterior walls, defective electrical and plumbing, etc.
Full description of the development project.	3706 Property Investments LLC, (the "Buyer") owned and managed by Antwone Williams will renovate the building for office space and three rental units. The Buyer plans to offer the lower level for small office and provide market-rate apartments in the residential units.
Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.	The Buyer was advised that any changes or modifications to the exterior facade may require approval from the City of Milwaukee Planning staff. The City's Commercial Corridor Team has been in contact with the Buyer and hopes to provide technical assistance with renovations.
Developer's development project history.	The Buyer successfully developed two multi-family in the 6 <sup>th</sup> Aldermanic District three years ago and owned a City commercial property in the 15 <sup>th</sup> Aldermanic District at 3829 West North Avenue.
Capital structure of the project, including sources, terms and rights for all project funding.	The estimated renovation and improvement costs are approximately \$140,000. The Buyer has secured financing from a local lender that together with Buyer's personal savings to complete the renovation. The Buyer may seek commercial corridor grant resources, if available.
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 increase. Vacancy of the building will serve as a hindrance on efforts of this section of 6 <sup>th</sup> Aldermanic District and hamper redevelopment efforts on this stretch of North Teutonia Avenue's business corridor.
Tax consequences of the project for the City.	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. Buyer also consents to a deed restriction indicating they will not operate as a: cigarette, vape, or cigar shop, gun shop, liquor store, auto-title loan store, medical services facility or other uses not permitted by City zoning.