

LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

February 2, 2015

RESPONSIBLE STAFF

Dwayne Edwards, Program Manager, DCD

PARCEL ADDRESSES AND DESCRIPTION

2600 West Vliet Street (the "Property"): A 1,460 SF vacant one-story building having a lot area of approximately 2,226 SF. The City of Milwaukee acquired the property in March, 2010 through tax foreclosure.



City-owned Property



Buyer's Grocery Store

BUYER

JOT Real Estate Investment, LLC, owned and operated by Sukhjinder "Max" Singh. The Buyer has owned and operated Max's Vliet Street Market, a neighborhood retail grocery store located at 2631 West Vliet Street, since August 2011. The Buyer currently has four full-time employees.

The Buyer, who seeks additional business investments in Milwaukee, expressed interest in the City-owned property at 2600 West Vliet Street after seeing a City "For Sale" sign posted on the property. The Buyer plans to purchase, renovate and lease the property and discussed having a retail nail salon or beauty supply store as potential businesses after all work is completed on the building.

The Buyer invested over \$100,000 in purchase and renovation costs for the grocery store and has extensive business experience, which includes working with family members in Milwaukee and Racine, Wisconsin prior to owning the grocery store.

PROJECT DESCRIPTION

The Buyer hopes to purchase, remodel and add interior improvements for retail use to provide additional retail services to the residents in this Midtown neighborhood and other Milwaukee neighborhoods. The property at 2600 West Vliet Street will include interior improvements such as

electrical and plumbing upgrades, new carpeting, painting, repair or replacement of the building's roof and windows and additional lighting for security among other improvements. The Buyer estimates rehabilitation costs not to exceed \$50,000 and plans to do a portion of the work through "sweat equity."

PURCHASE TERMS AND CONDITIONS

The purchase price is \$7,500, which factors in the building's overall condition. The Buyer may seek City of Milwaukee funding assistance on the project for new signage through the Facade Grant Program and some interior improvements through the City's "White Box" Program.

The conveyance of the property 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 of Milwaukee for tax-exempt property status.

The sale proceeds, less sales expenses and a 30 percent disposition cost reimbursement to the Redevelopment Authority of the City of Milwaukee, shall be credited to the Delinquent Tax Fund.