

LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

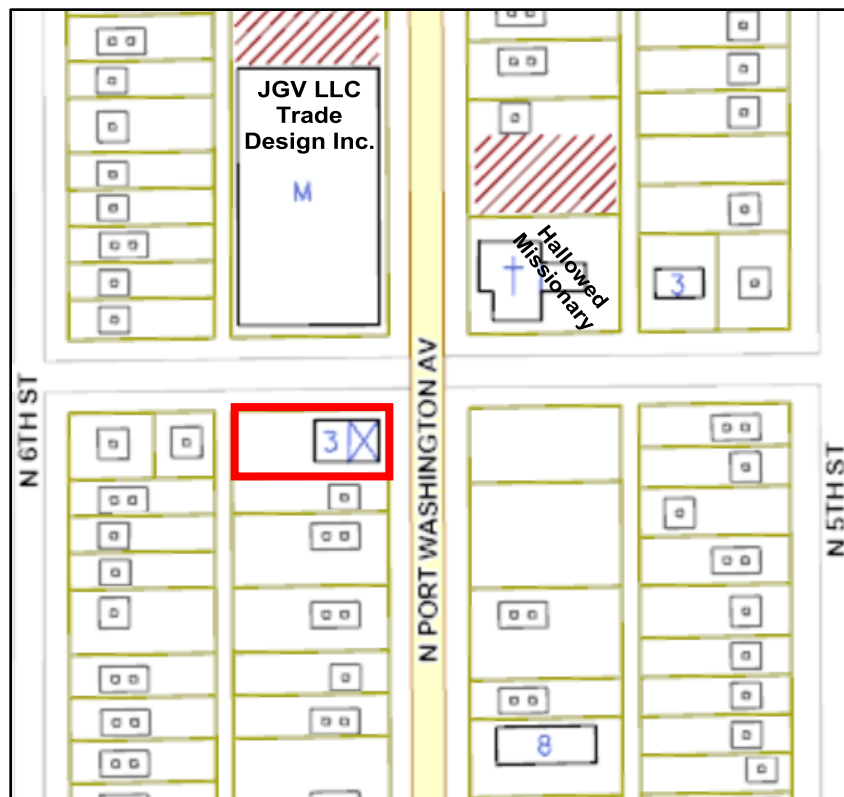
November 8, 2021

RESPONSIBLE STAFF

Matthew Haessly, Real Estate Specialist, Department of City Development

PARCEL ADDRESS AND DESCRIPTION

3765-69 North Port Washington Avenue, (the "Property") consists of a fire damaged mixed-use building that is scheduled to be razed in December, 2021. The lot size is approximately 6,800 square feet in the Williamsburg Neighborhood. The Property is zoned LB2 or Local Business. It was acquired through property tax foreclosure in October, 2016.



 City Property

The Department of City Development ("DCD") advertised the Property for sale. DCD received an acceptable offer, however, the interested purchaser selected another property to renovate. DCD received a second offer from Fatima Laster, ("Buyer"). The Buyer initially intended to renovate the existing building, however, in November, 2020, the building at 3765 North Port Washington Avenue had a fire. The fire caused significant damage and particularly to the structure integrity of the building. The Buyer concluded that the cost to renovate the fire-damaged building was not feasible. The Department of Neighborhood Services ("DNS") issued a raze order on the building. DNS anticipates the building will be razed by the end of December, 2021.

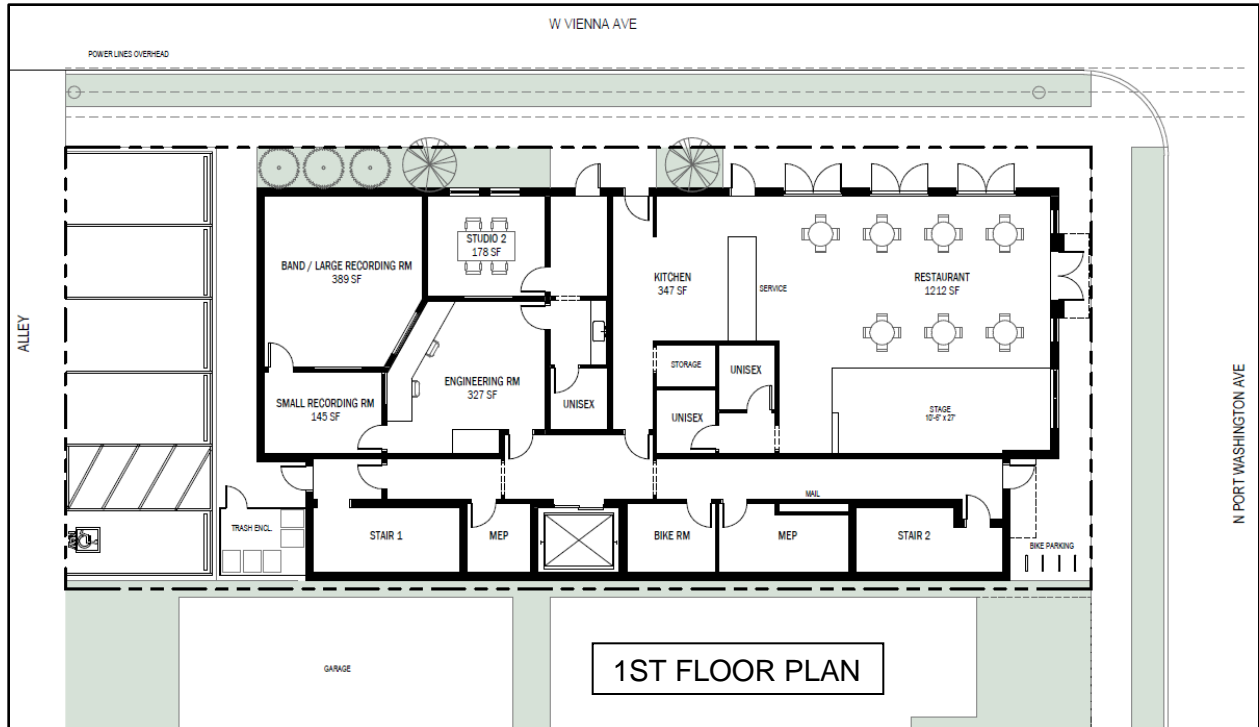


3765 NORTH PORT WASHINGTON AVENUE (CURRENT CONDITIONS)

PROJECT DESCRIPTION

The new building will be a mixed-use development. The first floor will include a family/sit-down style restaurant and podcast/music recording studio. The second floor will consist of one 1-bedroom, one 2-bedroom and one 3-bedroom apartments. The third floor will have one 2-bedroom apartment, a small fitness room and event space.





The estimated budget is \$1,800,000.

BUYER

Fatima Laster, artist, gallerist and Harambee-native, redeveloped the former Johnson Goolsby funeral home into a mixed-use art space called 5 Points Art Gallery + Studios, which opened in November 2018. Fatima Laster was the General Contractor for the subject community redevelopment project, which includes an art gallery, artist work studios and residences, and a commercial culinary arts kitchen. Previous experience also includes serving as an Assistant Project Manager of private and public, residential and commercial construction projects with a small Milwaukee-based construction firm. Fatima Laster is also an interior designer for FKL Designs, established in 2010.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$1.00 and Buyer shall pay all closing costs. 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 and licensing approvals, as needed. The Buyer will pay a \$1,000 performance deposit regarding Buyer’s duty to complete the construction, and obtain a Certificate of Occupancy, by June 30, 2023. Buyer will be required to meet the City’s General Buyer Policies.

The deed 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 Buyer from conveying to another prior to Buyer obtaining the Certificate of Occupancy. The sale proceeds shall be credited to the Delinquent Tax Fund.

DUE DILIGENCE CHECKLIST**ADDRESSES: 3765 NORTH PORT WASHINGTON AVENUE**

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| The Commissioner's assessment of the market value of the property. | 3765-69 North Port Washington Avenue, (the "Property") consists of a fire damaged mixed-use building that is scheduled to be razed in December, 2021. The lot size is approximately 6,800 square feet in the Williamsburg Neighborhood. The Property is zoned LB2 or Local Business. It was acquired through property tax foreclosure in October, 2016. The purchase price is \$1.00. |
| Full description of the development project. | The new building will be a mixed-use development. The first floor will include a family/sit-down style restaurant and podcast/music recording studio. The second floor will consist of one 1-bedroom, one 2-bedroom and one 3-bedroom apartments. The third floor will have one 2-bedroom apartment, a small fitness room and event space. |
| Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment. | (See Land Disposition Report) |
| Developer's development project history. | Fatima Laster, artist, gallerist and Harambee-native, redeveloped the former Johnson Goolsby funeral home into a mixed-use art space called 5 Points Art Gallery + Studios, which opened in November 2018. Fatima Laster was the General Contractor for the subject community redevelopment project, which includes an art gallery, artist work studios and residences, and a commercial culinary arts kitchen. Previous experience also includes serving as an Assistant Project Manager of private and public, residential and commercial construction projects with a small Milwaukee-based construction firm. Fatima Laster is also an interior designer for FKL Designs, established in 2010. |
| Capital structure of the project, including sources, terms and rights for all project funding. | The estimated construction cost is \$1,800,000. The Buyer is considering philanthropic grants, available commercial grant programs, conventional financing and/or personal equity to finance the new construction. |
| Project cash flows for the lease term for leased property. | Not applicable. |
| List and description of project risk factors. | Once the fire-damaged building is razed, a vacant lot will remain. |
| Tax consequences of the project for the City. | The Property will be fully taxable. The deed of conveyance will contain a restriction prohibiting tax-exempt property status. |