

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

DATE

January 25, 2022

RESPONSIBLE STAFF

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Department of City Development Real Estate Section

PARCEL ADDRESSES AND DESCRIPTION

500-02 North 29th Street (the "Property"), is a 2,688 square foot vacant mixed-use building that was built in 1875 and has a lot size of approximately 1,792 square feet. The City of Milwaukee ("City") acquired the property on July 25, 2017 through property tax foreclosure.

	
<p>City commercial property front view</p>	<p>500-02 North 29th Street </p>

BUYER

Amelia M. Mitcham, (the "Buyer"), or assignee will own and manage the property. The Buyer proposes to purchase and renovate the building for an art gallery and exhibit space. The Buyer's business partner resides in the upper unit apartment.

Ms. Mitcham has been a real estate developer for seven years and has been involved in acquiring and repairing houses in Merrill Park for several years. The Buyer, who resides a block away from the City property, has passed by the building for years and felt this was the right opportunity.

PROJECT DESCRIPTION

The Buyer proposes to renovate the property for an art gallery with exhibit space. Ms. Mitcham will also restore the residential unit, for her business partner to occupy.



Buyer's conceptual rendering (front view)



Planning Staff's recommended rendering (front view)

The property renovations at 500-02 North 29th Street will include interior improvements for art exhibits, paintings, sculptures, etc. The Buyer will install hard wood flooring, upgrade plumbing and electrical throughout the building. Exterior improvements will include, but not be limited to

restoring the original storefront windows with clear glazing, doors, add an ADA ramp to the front entrance, signage, power washing of brick and new signage. The City's Neighborhood Improvement Development Corp., will also provide resources and technical assistance with renovations.

The Buyer's financing will come from a local lender, City funding resources and personal savings. The Buyer's project may require certain City approvals in addition to the approval of the Land Disposition Report. 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 \$125,000.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$25,500 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 needed. The Buyer will pay a \$1,000 performance deposit regarding Buyer's duty to complete renovation and obtain a Certificate of Occupancy, by August 15, 2023. 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 conveyance of the property will be "as is, where is." 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 prior to Buyer obtaining the Certificate of Occupancy. At closing, subtracted from the sale proceeds will be sale and marketing expenses and a 30 percent disposition cost reimbursement to the Redevelopment Authority of the City of Milwaukee, with the remaining proceeds being deposited in the Delinquent Tax Fund.

DUE DILIGENCE CHECKLIST

ADDRESSES: 500-02 NORTH 29TH STREET

The Commissioner's assessment of the market value of the property.	<p>The Property at 500-02 North 29th Street is being sold "as is, where is," without any guarantees. The property is zoned LB2 or Local Business. The two-story mixed use building was previously occupied as a small social lounge.</p> <p>The purchase price for the property is \$25,500. The property has considerable deferred maintenance, including fire damage and defective electrical and plumbing. The fire damage has negatively affected the interior of the building.</p>
Full description of the development project.	<p>Amelia Mitcham, (the "Buyer") will own and manage the property. Plans include renovating the property for an art gallery with exhibit space. The Buyer's business partner also plans to reside in the upper level apartment.</p>
Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.	<p>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 Neighborhood Improvement Development Corp., will also provide technical assistance with renovations.</p>
Developer's development project history.	<p>The Buyer, who lives a block from the City property, has been involved in developing several homes in Merrill Park for several years.</p>
Capital structure of the project, including sources, terms and rights for all project funding.	<p>The estimated renovation and improvement costs are approximately \$125,000. The Buyer's financing was approved by her lender and will include personal savings. The Buyer may also explore available City funding resources to assist with the project.</p>
Project cash flows for the lease term for leased property.	<p>Not applicable.</p>
List and description of project risk factors.	<p>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 Near Westside Partners to assist redevelopment efforts in the Merrill Park neighborhood.</p>
Tax consequences of the project for the City.	<p>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.</p>