

LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

January 31, 2017

RESPONSIBLE STAFF

Dwayne Edwards, Program Manager, DCD

PARCEL ADDRESS AND DESCRIPTION

3821-25 West North Avenue (the "Property"): A 9,060 SF mixed-use building situated on a 7,200 SF lot located in the Washington Park neighborhood and the North Avenue Business Improvement District (BID No. 28). The Property was acquired through property tax foreclosure on June 2, 2014.



City Property

BUYER

AK Development, LLC ("Buyer") was established in 2015 by Founder and CEO, Ariam Kesete. AK Development, LLC is a Milwaukee-based minority and woman-owned real estate firm that specializes in development and redevelopment of affordable housing. The Buyer is active in multi-family, retail and office projects as an owner/developer. Also, the Buyer provides general contracting services for residential and commercial renovations. Ms. Kesete is a graduate from the Associate in Commercial Real Estate program or ACRE.

PROJECT DESCRIPTION

The first floor was historically occupied as commercial space for multi-tenant office use. The Buyer proposes to renovate the first floor commercial space for a real estate office and a retail use. The Buyer also plans to renovate the six residential apartments on the second floor as market-rate apartments. The estimated rental rates for the apartments will be \$600 to \$650 per unit. Amenities will include appliances, new kitchen and bathroom fixtures, new carpeting, walk-in closets and new flooring.

The Buyer plans to renovate the exterior of the building by tuck pointing the brick as needed, tuck pointing and/or painting the trim, installing new windows and lighting and signage for the boarded commercial store front and maintain window glazing along the North Avenue frontage. The estimated cost to renovate the property is \$285,000.



Post renovation conceptual rendering

PURCHASE TERMS AND CONDITIONS

The purchase price is \$7,500. 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, the sale proceeds, less sale and marketing expenses and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee, shall be credited to the Delinquent Tax Fund.