

## LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

### DATE

March 1, 2017

### RESPONSIBLE STAFF

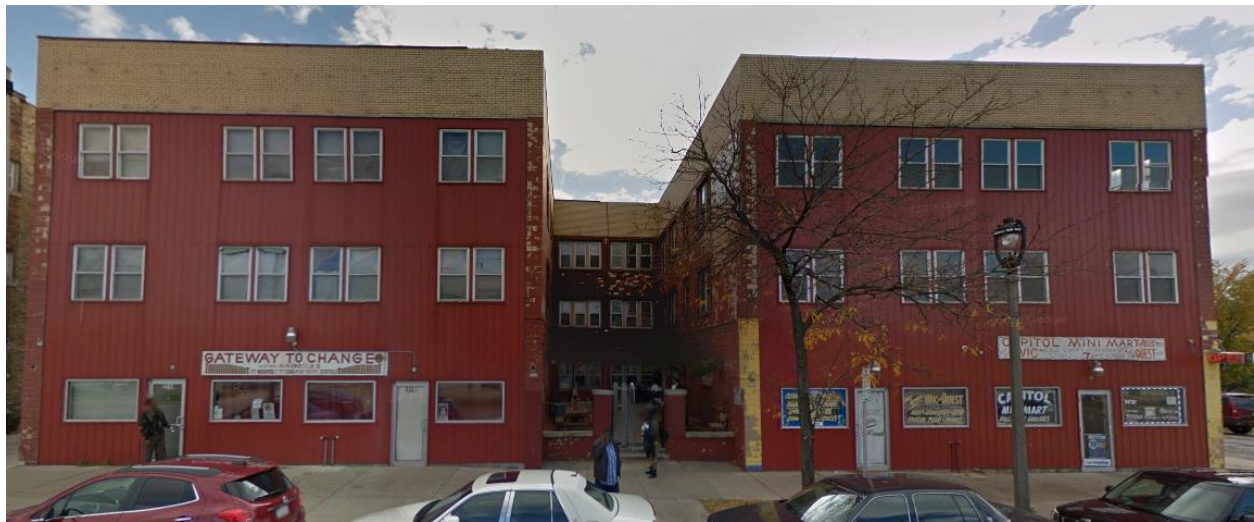
Matthew Haessly, Real Estate Specialist, DCD

### PARCEL ADDRESS AND DESCRIPTION

2319-29 West Capitol Drive (the "Property"): A 20,388 SF, 24-unit apartment building situated on an 8,526 SF parcel located in the Franklin Heights neighborhood. The Property was acquired through property tax foreclosure in 2015. When the City acquired foreclosure judgment for the Property, it was partially occupied and continues to be partially occupied.

Gateway to Change ("Gateway") occupies the 2319 West Capitol Drive portion of the building. Gateway's counseling and administrative offices are located on the first floor, and the upper floors serve as residential units for participants in Gateway's recovery services.

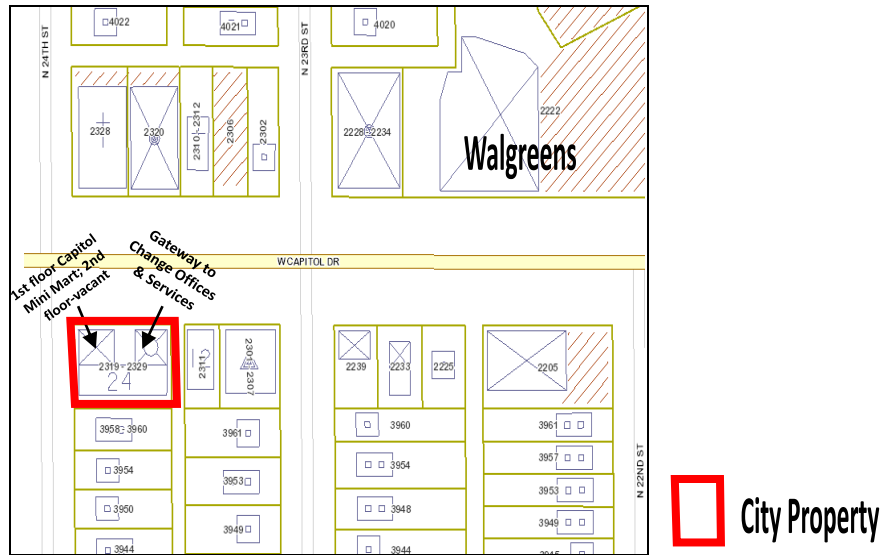
The Capitol Mini Mart occupies a large portion of the first floor at 2329 West Capitol Drive. The upper floors in the 2329 West Capitol Drive portion are currently vacant and are "down" units unable to be occupied without significant improvements.



2319 West Capitol Drive

2329 West Capitol Drive

2319-29 West Capitol Drive



### BUYER

Four Treasures LLC (the "Buyer") is owned by Mohammad F. Nazer, Manager/Member. The Buyer has owned and operated the Capitol Mini Mart at 2329 West Capitol Drive for over 21 years. The Buyer also owns and operates a mixed-use building in the 6<sup>th</sup> Aldermanic District.

Through this acquisition, the Buyer intends to expand the type and quality of food at the Capitol Mini Mart. The Buyer will provide more options to customers by adding hot food and fresh produce to its offerings. The upper floors of the 2329 West Capitol Drive portion of the building will be renovated into residential apartments and provide an opportunity to expand the capacity of Gateway and the valuable services Gateway provides to the community.

Gateway provides multiple social services, including a clinic focusing on treatment of substance use disorder and mental health. Gateway operates and offers multiple housing programs, including transitional independent living housing in the property to the east, 2311 West Capitol Drive, which is a companion file to this real estate sales file. The proposed agreement between the Buyer and Gateway will allow Gateway's leasehold to increase the number of participants in its various programs.

### PROJECT DESCRIPTION

The Buyer proposes to restore the original facade by removal of the red paneling and exposure of the original brick, tuck-point the building as needed, update the existing windows and add new signage to the exterior of the building. The proposed interior improvements will include expansion of the Capitol Mini Mart by adding hot food and fresh produce options. The Buyer will renovate the upper floors by restoring the units to residential apartments. The estimated cost to renovate the Property is \$192,500.



Above: After renovations, 2319-29 West Capitol Drive

**PURCHASE TERMS AND CONDITIONS**

The purchase price is \$30,000. 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 all 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.