

LAND DISPOSITION REPORT

COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

September 8, 2020

RESPONSIBLE STAFF

Dwayne Edwards, Program Manager, Department of City Development

PARCEL ADDRESS AND DESCRIPTION

2718 West Atkinson Avenue (the "Property"): The vacant lot was acquired by the City of Milwaukee ("City") on July 13, 2015 through property tax foreclosure. The Property is a mostly vacant lot with a small one story brick building in the rear. The Property area is approximately 80 feet x 120 feet or 9,600 square feet. The Property is located within the Old North Milwaukee neighborhood.



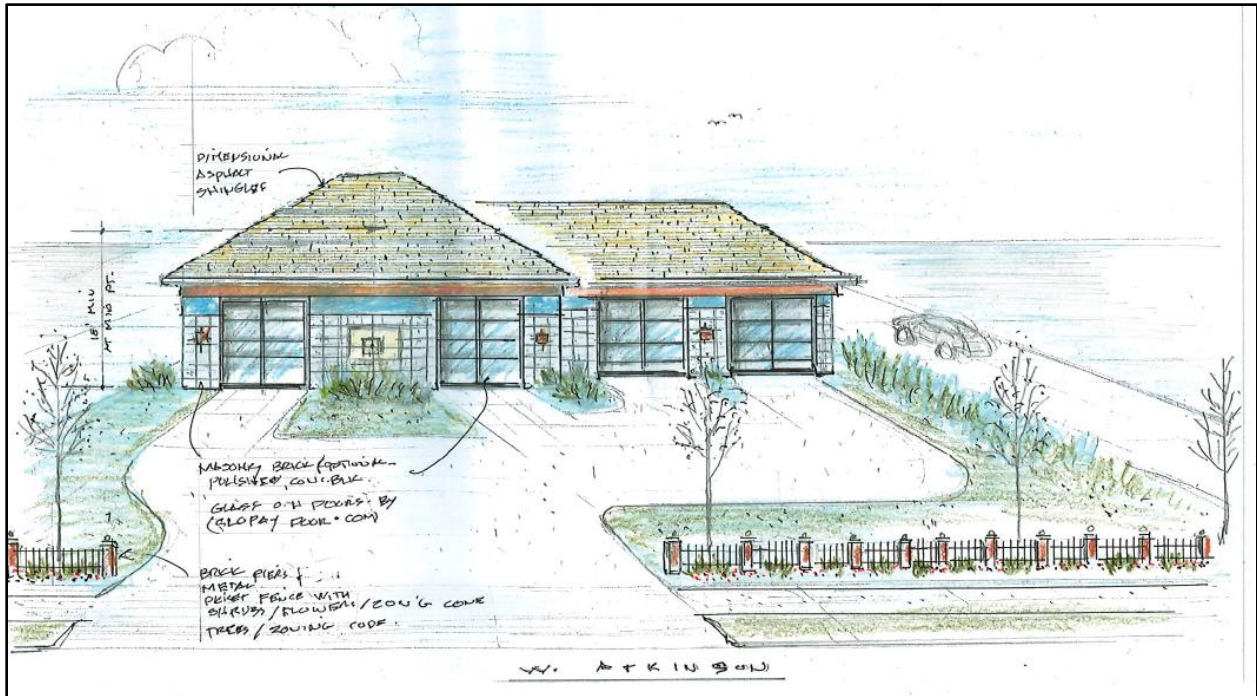
BUYER

Ms. Antoinette Jackson ("Buyer") is a minority businesswoman who has extensive experience in business and real estate. The Buyer has more than 10 years of experience in the rental property industry, which includes property management, tenant screening, evictions and landscaping services. Ms. Jackson has purchased several City residential properties and successfully renovated them and put them into active use.

PROJECT DESCRIPTION

The Buyer will develop the vacant lot to construct a self-service commercial car wash that consists of three bays for carwash services. The new business will also compliment the buyer's adjacent used car dealership, House of Carz, at 4417 North 27th Street. In 2018, the Buyer purchased a City building at 4416-20 North 27th Street from the City of Milwaukee, which added two retail businesses to the corridor. The building design has been approved by the City Planning staff's Design and Review committee and will meet City building and zoning code guidelines.

The Buyer's estimated renovation costs are approximately \$250,000. All work will be completed by the Buyer's contractors, which collectively will meet or exceed Small Business Enterprise (SBE) goals for the project. Certain City approvals may be required 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's approval of the final building elevations.



2718 WEST ATKINSON AVENUE AFTER RENOVATIONS

PURCHASE TERMS AND CONDITIONS

The purchase price is \$2,500. Purchase and construction expenses will be financed by the Buyer and may include assistance from the City's White Box Grant, Facade Grant and Signage Grant.

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 from applying to the City for tax-exempt property status. At closing, subtracted from the sale proceeds will be sale and marketing expenses and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee; the remaining proceeds shall be credited to the Delinquent Tax Fund.

Due Diligence Checklist

Address: 2718 West Atkinson Avenue

<p>The Commissioner's assessment of the market value of the property.</p>	<p>The "Property" at 2718 West Atkinson Avenue is being sold "as is, where is," without any guarantees. The Property is zoned LB1 or Local Business. The Property is a mostly vacant lot with a small one story brick building in the rear. The Property area is approximately 80' x 120' or 9,600 square feet. The Property is located within the Old North Milwaukee neighborhood.</p> <p>The purchase price for the Property is \$2,500.</p>
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<p>Full description of the development project.</p>	<p>The Buyer's construction project includes a self-service commercial car wash. The new business will have three bays for car wash services and will also compliment the buyer's adjacent auto dealership, House of Carz, at 4417 North 27th Street. In 2018, the Buyer also purchased a City building at 4416-20 North 27th Street from the City of Milwaukee, which added two retail businesses to the corridor.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>The building design has been approved by the City Planning staff's Design and Review committee and will meet City building and zoning code guidelines.</p>
<p>Developer's development project history.</p>	<p>The Buyer has more than 10 years of experience in the rental property industry, which includes property management, tenant screening, evictions and landscaping services. Ms. Jackson has purchased several City residential properties and successfully put them into active use.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>The estimated construction costs are approximately \$250,000. Expenses will be financed by the Buyer who may receive assistance from the City's White Box Grant, Facade Grant and Signage Grant.</p>
<p>Project cash flows for the lease term for leased property.</p>	<p>Not applicable.</p>
<p>List and description of project risk factors.</p>	<p>If the parcel remains vacant, the maintenance and costs to cure will continue to increase. Continued vacancy of the parcel will serve as a hindrance to redevelop the Property and will not add value along this stretch of West Atkinson Avenue.</p>
<p>Tax consequences of the project for the City.</p>	<p>The Buyer anticipates investing \$250,000 in the project. 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>