

LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

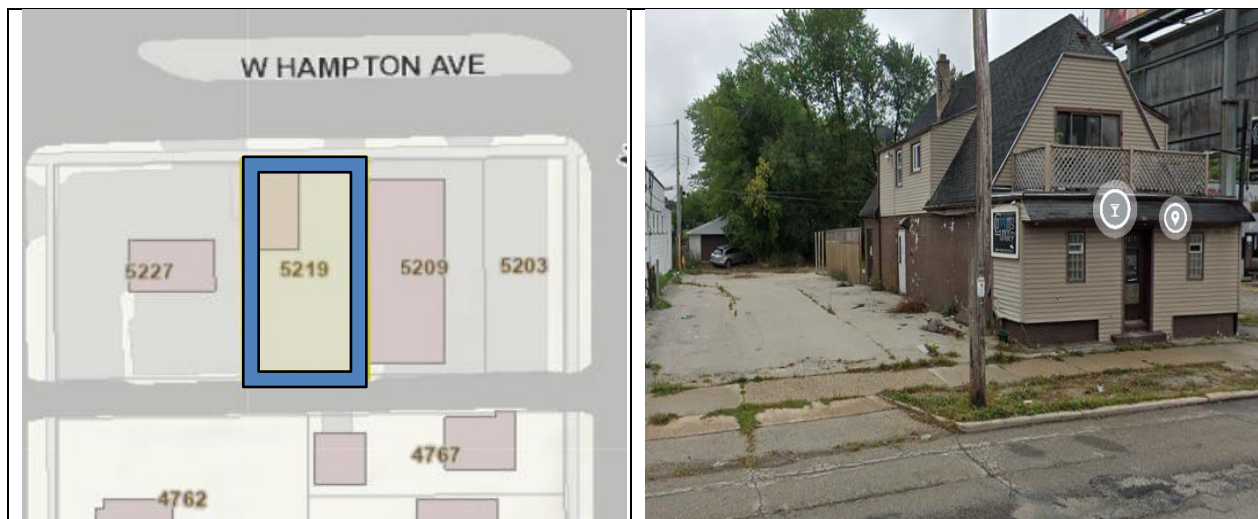
July 23, 2024

RESPONSIBLE STAFF

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Department of City Development, Real Estate Section

PARCEL ADDRESS AND DESCRIPTION

5219 West Hampton Avenue (the "Property"): A 1,653 square feet one and a half-story vacant building, built in 1938. The building has one commercial unit with one apartment on a lot area of approximately 6,900 square feet. The City of Milwaukee ("City") acquired the property on July 2, 2021 through property tax foreclosure.



City-owned Property – Northeast view of 5219 West Hampton Avenue

BUYER

Nash Mechanicals, LLC ("Buyer"), is owned and managed by Reggie Nash. The Buyer has over 25 years of experience in the trade industry. Mr. Nash began his career in 1996 through a construction apprentice program through the former Esperanza Unida Job Center, which was located on Milwaukee's southside.

The Buyer was gainfully employed and honed his skills on various projects in southeastern Wisconsin, including The Wisconsin Center, a convention and

exhibition center, the Tommy Thompson Youth Center at Wisconsin State Fair Park and Racine's Art Museum to name a few. The Buyer brings a wealth of expertise in architectural, commercial and industrial sheet metal work, as well as fabrication skills.

Mr. Nash, who founded his company in 2005, seeks to purchase the property to continue providing quality service to customers at an affordable price. He is currently working out of his personal residence and felt the time was right to have a bricks and mortar location.

PROJECT DESCRIPTION

The Buyer will renovate the commercial space for his growing HVAC business. Nash Mechanicals, LLC provides services for furnaces, installation, repair and maintenance of heating and cooling systems, refrigeration, piping and plumbing work for both residential and commercial customers. The improvements at 5219 West Hampton Avenue will require a new roof, an interior gut renovation for the company's offices. Mr. Nash will serve as developer and general contractor.

The Buyer will also have other trades personnel assisting with the improvements. Renovation work includes interior clean out, fixtures, lighting, flooring, etc. Glass installation, electrical work, plumbing updates, HVAC, signage and decorative fencing along the building's east side.

The Buyer estimates renovation costs at approximately \$75,000 and a portion of the work will include "sweat equity." The Buyer has secured financing from a local lender, that with Buyer's personal equity, will help to complete the renovations. The Buyer understands that the proposed 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 DCD approval of the final building elevations and signage.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$20,000 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 required. The Buyer will pay a \$2,500 performance deposit regarding Buyer's duty to complete renovation and obtain a Certificate of Occupancy by December 10, 2025.

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 City Planning staff reviewed the Buyer's plans for renovation of the building and also provided guidelines that will be included in the City's Purchase and Sale Agreement ("PASA").

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 party 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 fee to the Redevelopment Authority of the City of Milwaukee; the remaining proceeds shall be deposited in the City's Tax Deficit Fund.

Due Diligence Checklist

Address: 5219 West Hampton Avenue

The Commissioner's assessment of the market value of the property.	5219 West Hampton Avenue is a 1,653 square foot one and a half-story vacant building constructed in 1938, with a lot area of approximately 6,900 square feet. The City of Milwaukee acquired the property on July 2, 2021 through tax foreclosure. The property is in the 7th Aldermanic District. The purchase price for the property is \$20,000, which factors in the building's overall condition. The property is being sold "As Is, Where Is," without any guarantees.
Full description of the development project.	Nash Mechanicals, LLC ("The Buyer"), seeks to open an office for his mechanical contracting company. The estimated renovation costs are approximately \$75,000. Mr. Reggie K. Nash will own and manage his operations at this location. The Buyer will provide mechanical contracting services for both residential and commercial customers in the greater Milwaukee area.
Complete site, operations and scope of work for redevelopment.	Please see the Land Disposition Report for details.
Developer's project history.	This will be the Buyer's first purchase of a City commercial building. The Buyer met with staff about the location for his business and has the local alderman's support for the proposed business use.
Capital structure of the project, including sources, terms and rights for all project funding.	The estimated renovation costs include personal funds, and "sweat equity" towards the project. The Buyer will also seek funding resources by applying for the City's Storefront Activation grant.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	DCD staff determined that there is no foreseen risk in selling the property to this Buyer. Renovating this building will add stability, a positive reuse of the property and add value to the neighborhood. The business use also fits within the area comprehensive plan and the local Business Improvement District supports the project.
Tax consequences of the	The deed of conveyance will contain a restriction

project for the City.	prohibiting the Buyer, assignees or successors from applying to the City of Milwaukee for tax-exempt property status. Thus, a formerly vacant, tax-exempt property will be returned to the property tax rolls.
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