

LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

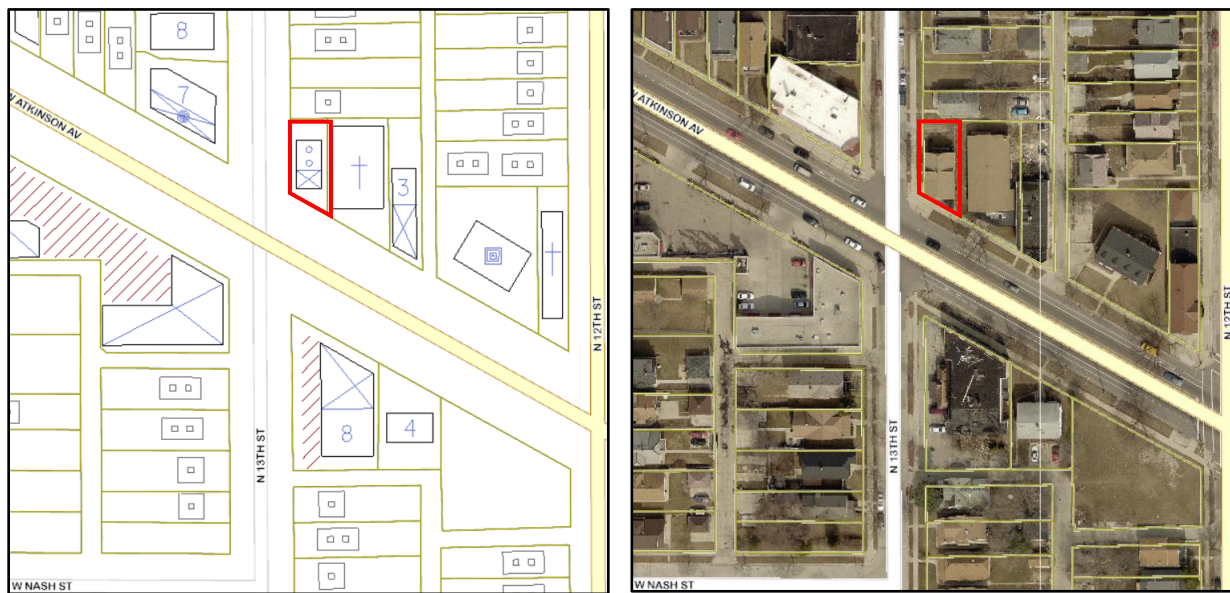
July 10, 2020

RESPONSIBLE STAFF

Matthew Haessly, Real Estate Specialist, Department of City Development

PARCEL ADDRESS AND DESCRIPTION

1246 West Atkinson Avenue (the "Property") consists of a 2,398 square foot mixed-use building situated on a 2,866 square foot parcel. The Property is zoned LB2 or Local Business and was acquired through property tax foreclosure in September 2014. The Property is located within the Arlington Heights Neighborhood.



BUYER AND PROJECT DESCRIPTION

R. Hale Plumbing LLC is a Limited Liability Company owned by Richard Hale. The Buyer is a licensed master plumber (MP#225824) and has been working in the industry since 1990. In 2005 he struck out on his own and created R. Hale Plumbing LLC. His company focuses on residential and commercial plumbing repairs, replacements, and installations on remodeling and new construction projects.

Richard took the experience and knowledge he gained from running his plumbing business to begin investing in real estate. He partnered with his wife Sherlena Hale to form Lena 31:10 Investment LLC (the "Buyer"). For the past fifteen years they have taken a faith-based approach to investing in real estate. Through their efforts they have rehabilitated over 50 distressed properties, creating quality housing and improving neighborhoods.

As their businesses expand, they would like to have a brick and mortar office to meet with clients, coordinate the plumbing business work orders, and conduct the day to day business tasks. 1246 West Atkinson Avenue is the ideal location for their office. It is within close proximity to highway 43 and Capitol Drive, which allows for easy access to most points throughout the

City.

The residential apartment will be professionally restored and rented at market rates. The commercial unit will first be white boxed and renovated into primarily office space. The façade will remain unchanged. However, the exterior will receive cosmetic upgrades such as paint, trim boards as needed, and flat roof replacement. Once the interior and exterior upgrades have been completed, signage will be addressed. The estimated renovation budget is approximately \$30,000 and much of the work will include the Buyer's sweat equity.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$8,500. 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. A 30 percent disposition fee shall be paid to the Redevelopment Authority of the City of Milwaukee, less sale and marketing expenses, and the remaining proceeds shall be deposited in the Delinquent Tax Fund.

Due Diligence Checklist
Address: 1246 West Atkinson Avenue

The Commissioner's assessment of the market value of the properties.	1246 West Atkinson Avenue (the "Property") is mixed-use property acquired by the City through property-tax foreclosure in September 2014. The Property will be sold "as is, where is," without any guarantees. The Property is zoned LB2 or Local Business. The building has considerable deferred maintenance. The purchase price for the Property is \$8,500.
Full description of the development project.	The residential apartment will be professionally restored and rented at market rates. The commercial unit will first be white boxed and renovated into primarily office space.
Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.	The façade will remain unchanged. However, the exterior will receive cosmetic upgrades such as paint, trim boards as needed, and flat roof replacement. Once the interior and exterior upgrades have been completed, signage will be addressed.
Developer's development project history.	<p>R. Hale Plumbing LLC is a Limited Liability Company owned by Richard Hale. The Buyer is a licensed master plumber (MP#225824) and has been working in the industry since 1990. In 2005 he struck out on his own and created R. Hale Plumbing LLC. His company focuses on residential and commercial plumbing repairs, replacements, and installations on remodeling and new construction projects.</p> <p>Richard took the experience and knowledge he gained from running his plumbing business to begin investing in real estate. He partnered with his wife Sherlena Hale to form Lena 31:10 Investment LLC (the "Buyer"). For the past fifteen years they have taken a faith-based approach to investing in real estate. Through their efforts they have rehabilitated over 50 distressed properties, creating quality housing and improving neighborhoods.</p>
Capital structure of the project, including sources, terms and rights for all project funding.	The estimated renovation budget is approximately \$30,000 and much of the work will include the Buyer's sweat equity
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	The Common Council not approving the sale file.
Tax consequences of the project for the City.	The Buyer anticipates investing \$30,000 in the Property. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status.