

CITY OF MILWAUKEE



PROPOSAL SUMMARY & PUBLIC DISCLOSURE STATEMENT

HIGHLAND GARAGE COMMERCIAL SPACE

This form must be completed by parties leasing or purchasing commercial property from the City of Milwaukee. Attach additional information as needed or as required in the property listing. Confidential material must be clearly identified as proprietary. Submit with interior layout plans and detailed scope of work for build out.

Lease/sale acceptance is contingent on approval by the Common Council. Terms will be outlined in a commercial lease or a sale agreement and will be subject to use restrictions and performance obligations as approved by the Common Council. Staff of the Department of Public Works must review and approve all interior build-out prior to application for building permits. Uses requiring BOZA, Licenses Committee or other regulatory approval will be required prior to Common Council consideration of the lease/sale.

PROPERTY 1118 NORTH 4TH STREET (PART OF 324 WEST HIGHLAND)

OFFER INFORMATION

Lease: Space will be leased on a net basis. Lessee will be required to make a quarterly payment for common area expenses and a contribution for a payment in lieu of taxes that is estimated at \$25,000 for (Year) 1.

Initial Base Rent: base rent of \$5,041.20 per month in year (1), plus CAM of \$2,083.33 equaling : monthly total of \$7,124.53 monthly for (Year One.)

Rent Increases (7%) Adjustment Interval: Yearly commencing after year (1)-(5).

Purchase Offer Price \$ _____

Proposed Term & Renewals: We will lease the property for a period of five years with an option to renew the lease after five years for an additional (5) year period. Upon acceptance of our lease, lessee requests a (2) month rent free construction and development period from the date of lease's execution. (Five year minimum for base term).

Contingences: This lease and its terms are contingent upon approval of its restaurant/lounge/social club's Class B liquor license, and Food licenses and the Radio Station's FCC site inspection approval Inspector.
 Broker Name: **David Price/Telephone 414-562-6823 (Or) 414-224-7200**
 (Firm Address): **1550 N. Prospect Ave.**

Proposed brokerage commission **6.0%**.

Lease commission will be paid in equal installments over a three-year period with the first payment upon lease execution and the remaining payments on the lease anniversary provide lessee is current in all rent and special payments and not in violation of any lease term unless different structure negotiated prior to Council action. Purchase commission to be paid at closing. No fee is paid to a broker/lessee.

LESSEE/BUYER IDENTIFICATION

Legal Name: **United Broadcasting Group Incorporated**
Mailing Address: **2711 Centerville Rd. Ste. 400, Wilmington, DE 19808**

Primary Contact: 262-295-5071

Telephone 262-295-5071

Email: ubginc2014@yahoo.com

FAX: 414-988-9294

Attorney *None required for this transaction as of yet.

Legal Entity Individual(s) If multiple, identify Joint Tenants Tenants in Common
*Corporation (C-Corp.) LLC Partnership Other _____

If not a Wisconsin corporation/partnership, state where organized: **Wilmington, Delaware**

Will new entity be created for lease/ownership **Yes**

Principals of existing or proposed corporation/partnership and extent of ownership interest.

Name	Address	Title	Interest
Mr. Ronald Hill	2711 Centerville Rd. Ste. 400, Wilmington, DE 19808	(President)	
_____	_____	_____	_____
_____	_____	_____	_____

Attach a list of properties in the City of Milwaukee in which Lessee/Buyer has an ownership interest either as individual or as part of a corporation/partnership. Changes in ownership structure subject to Council approval: **None**

OCCUPANCY DESCRIPTION

Proposed use/uses: The vacant facility will be used in a dual capacity. It will become an FCC regulated broadcast Radio Station operating 24 hours Daily/7 days per week with a musical format of Urban Adult Contemporary, Top 40 and Gospel music. The second half of the venue will be modeled as an upscale Restaurant/Lounge & Social Club catering to working class patrons ages (25) & up. (Please see the attached addendum)

Required interior build-out: The build-out for both businesses will take 2-3 months and it will consist primarily of an extensive cleaning to the facility, moderate painting of the interior, carpet laying, wood & tile flooring panel applications, track lighting faux pas interior designs, moderate carpentry repairs and the installation of office furniture/lounge furniture, restaurant/lounge equipment and FCC certified Radio broadcast equipment and etc. This site will NOT house a broadcast antenna of any kind on its premises.

Needed approvals, permits or licenses: The proposed Radio Station requires an occupancy and seller's permit. Its license to broadcast on its FM frequency has been previously secured by the Federal government-FCC. The Lounge/Restaurant requires a Class B liquor license with tavern dance components, Food licenses and occupancy/seller's permits, respectively.

OPERATIONAL INFORMATION

(City to provide site commitment letter to allow applications in advance of Common Council lease/sale action)

Established business relocating / expanding in facility? (No)

Current location(s) Developer/Operator currently holds an FCC license to operate a Milwaukee Radio Station. Operator also owns an interest in Urban Broadcasting Inc., which operates (36) broadcast radio stations nationwide. Developer/Operator has owned its broadcast license since (2008).

Describe experience with business, current location(s) As mentioned above the operator/developer has operated and or co-owned Radio Stations across the country for more than 15 years and running. The most current of these operations has been previously mentioned.

Start up business? (No) If yes, attach business plan and evidence of working capital

Discuss qualifications / experience in proposed business _____ 2 _____

Discuss on-site operator and management oversight: On site management and operations of the Radio Station itself will fall directly under the operator/Developer, Mr. Ronald Hill, Edward A. Brown Jr. and Laura Taylor. Each of whom will be responsible in part for the performance and day to day operations of the broadcast facility and its offices including but not limited to managing its sales staff, training, staff assemblage and maintaining a professional work site for all employees. Each will also help to create community access talk shows for the Radio Station as well. Mr. Brown will oversee the lounge's operations, food and liquor orders, staff hiring procedures, venue concept, design and its nightly operations:

DEVELOPMENT TEAM

Architect: Laufinberg Architects
 General Contractor: Hickory Bridge Construction Incorporated
 Other Members: DPS Plumbing, Pieper Power and Associates, and Tech Designs Sound & Lighting

Describe team developer expertise and experience: Developer/operator has built and developed radio Stations across America over the past 11 years and has experience in developing high-end (25) and older night venues and lounges.

Other team projects: None at this time

Estimated Small Business Enterprise (SBE) Use: Yes 3.5% of total budget or \$10,000.00
 Potential SBE contactors (name and/or type) A+L Ferrer Construction LLC, Arteaga Construction (Awning), (Carpentry, Radio Sound Proofing, Parque Flooring).

PROJECT BUDGET & FINANCING STRATEGY

Interior Demolition	No Demolition
Hard build-out costs	\$200,000
Soft costs – architectural fees, permits, misc. charges, overhead & profit, contingency, etc.	\$75,000
Financing fees	\$0.00
Furniture, Fixtures & Equipment/Personal Property	\$75,000
Total Budget	\$350,000

Budget source: (Developer/Operator)

Financing Construction: Cash (Attach evidence of equity)
 Loan Amount: **No loans** Preapproved N/A (Attach pre-approval or letter of interest)
 Expected Lender: **None**
 Established relationship: **None** Describe lender accounts/loans **No Lender Accounts**

City Funding Sources	Application Status/likelihood
Facade Grant: (None)	_____
RIF Fund: (None)	_____
MEDC Loan: (None)	_____

Other funding: All funds for the construction and build out of the venue will be paid from the personal funds of the Developer.

JOB CREATION

Current Employment (if applicable)	Full Time	Part Time
Number of jobs to be created	0 Full Time	55-60 Part Time
Number of jobs to be retained	0 Full Time	0 Part Time

Type of jobs The Radio Station will hire sales staff (5), (1) DJ, (2) broadcasters for a total of (8) part-time employees. The Lounge will hire (50-52) employees including but not limited to Cooks, Bartenders, Wait Staff, A house DJ, Security Staff, Lounge Manager and general cleaners.

Expected average wage: Based on prior experience and employee skill set.

Benefits? (No) If yes, please specify _____

ESTIMATED SCHEDULE

Final Plan/Specification Preparation: This project will require two-three months build-out time.

Bidding & Contracting: Does not apply as the Developer has already established a crew to provide construction services.

Firm Financing Approval: Does not apply.

Construction/Rehabilitation: (YES. 2-3 Months of work required)

Occupancy/Lease Up: January 1st, (2019)

CONFLICT OF INTEREST DISCLOSURE

Lessee/Buyer covenants that no member of the Common Council of the City of Milwaukee, nor any officers or employees of the City of Milwaukee, has any interest in the Lessee/Buyer or the intended redevelopment of the property, except as follows: Does not apply as there are no City employees or otherwise assisting with this project, or with an interest in this property or project.

Is Lessee/Buyer a City of Milwaukee employee or member of any City board? (No)

If yes, identify the department, board and/or and position: _____

CITY POLICIES

Lessee/Buyer certifies that it, as an individual or member of a corporation or partnership, is not now and will not be at closing or lease signing in violation of any of the following policies:

- Delinquent taxes due the City
- Building or health code violations that are not being actively abated
- Convicted of violating an order of the Department of Neighborhood Services or Health Department within the previous year
- Convicted of a felony crime that affects property or neighborhood stability or safety
- Outstanding judgment to the City
- In Rem foreclosure by the City within the previous five years.

Properties are leased/sold on an "as is, where is basis." The City has conducted no environmental investigation of the property. ALTA surveys are not provided. Building encroachments in the right of way may require Special Privilege Permits and are the responsibility of the Occupant.

Lessee/Buyers are encouraged to comply with the City's Small Business Enterprise (SBE) program requiring best efforts for SBE participation of at least 25% of the total expenditures for goods and services and 18% for professional services.

If sold, the condominium unit must be fully taxable for property tax purposes. The deed shall contain a restriction prohibiting future application to the City for exempt status.

Lease execution/closing contingencies include full project funding including firm financing without contingencies and City approval of final plans. Final plans must conform to the original submission as approved by the City. Plan changes may require confirmation by the Common Council and lease or sale agreement shall contain performance obligations.

ADDITIONAL COMMENTS

The lessee seeks to operate an Adult Contemporary Radio Station in a facility with a long history of being a Restaurant/Lounge/Nightclub. The radio station itself will be situated directly across from Milwaukee's Bradley Center and will become a featured attraction to the area. The lessee (United Broadcasting Group Inc's Radio Station) will interview Athletes, Civic Leaders & Musical guests of the Bradley Center and more each day! The programming of the station will be centered around the immediate needs of the community at-large with an emphasis on providing quality, real and compassioante broadcasting for residents of the Cream City! The Restaurant Lounge/Social Club itself will cater to Mature, working class patrons (25) years of age and older with an emphasis on admitting Neat, Adult, Clean-Chic, patrons who conform to the venue's strict dress code and conduct policy. In year two of the lease, the lessee will also seek to establish a low power broadcast radio in the venue as well that will feature local content and community based, locally hosted telveision programming.

We certify that this statement is true and correct and we understand City policies.

Ronald Hill Ronald Hill; U
 Signature

 Signature

President Nov. 15th 2013
 Title Date

 Title Date

LESSEE/BUYER CERTIFICATION & ACKNOWLEDGEMENT

Lessee does hereby affirm and acknowledge that all information provided herein is true and accurate and that it does accurately reflect the lessee's initiatives for the vacant property. The property as it currently stands is a 'full and complete build-out. The City of Milwaukee "sold down" equipment and other fixtures and amenities essential to the venue's restaurant operations that must be replaced. The lessee will replace those items and will contribute additional leasehold improvements to the City owned property. The lessee will build the radio station which includes bringing the Radio Station portion of the venue into FCC compliance, remodeling it for aesthetic appeal and more; Lessee must replace all sold kitchen equipment, integrate new refrigeration units and coolers and beverage supply lines for the restaurant lounge portion of the venue and more.

Lessee would like the option to purchase the property outright at the end of its lease with the City Of Milwaukee at Fair Market Value and would like to have added to the terms of its lease a clause that it be afforded the first right of refusal for any proposed purchase of the property by any buyer should such an occurrence arise during the lessee's occupancy of the property at 1118 N. 4th Street, Milwaukee, WI.

Proposal Outline For Commercial Property at 1118 N. 4th

The information provided within this outline details a comprehensive plan of operations for the vacant, city-owned property located in Downtown Milwaukee at, 1118 N. 4th Street. The venue has historically been operated as a restaurant-lounge and sports bar.

Outline of the property:

Over the years the venue has hosted businesses such as *Ciatti's Italian Restaurant*, *Legend's Sports Bar*, *Center Court Sports Bar and lounge* and most recently, "*Pulse Nightclub*".

Specifics:

8,407 SF ± ground floor former restaurant/lounge
Steps away from the Bradley Center -- US
Cellular Arena--Aloft Hotel--MATC--"The
Moderne". || Open floor concept easily adaptable for a
variety of uses. || Center entrance and restrooms
|| Kitchen-grade finish with quarry tile floors and
No fixtures. || 3,000 SF basement for storage and office
|| Separate Receiving/Trash area with roll up door
and elevator access to lower level. Part of 980-space public garage built in 1987.

Proposed use of the Property:

We propose to utilize the property as a dual use facility. Historically, as the property has two divisible sides in which to operate, tenants have sought to use them both as a bar/restaurant. We will use the Southern half of the venue as the main offices for a new Adult/Contemporary Milwaukee radio station. The radio station will operate (24) hours per day, (7) days weekly, as is custom for most broadcast radio stations within the Market. The property itself will be used as the primary broadcasting site and sales clientele support offices between the hours of 9:00am and 7:00pm, Monday through Friday. Passers by will be able to see on-air broadcasters in the front window space of the office facing 4th street on most days; very much in the same manner 540 AM ESPN once broadcasted on Jefferson Street in Downtown Milwaukee, respectively. The new radio station will feature a music format of Adult A/C, Top 40 and a heavy dose of Gospel programming on Sundays, replete with a bevy of community focused talk shows early Saturday morning including where it will interview community professionals, Professional Athletes, Civic leaders, Clergy and more. The radio station will cater to Milwaukee's over 200,000 Adult R&B/Top 40 music listening fans. We intend to lease the property for five years, with an option to purchase the property outright at the end of Year (4) at fair market value. Our (Year One) monthly lease offer amount is **\$5,041.20**. In addition to that base amount we will pay **\$2,083.33** monthly to the city monthly for property **CAM Fees** and its proportionate property taxes equaling a total of **\$7,124.53**. In the Northern portion of the dual use facility we will operate an upscale, swank "Ultra-lounge" and Restaurant with an age restriction of (25) years of age for all patrons.

Addendum to the Proposal for the Radio Station/Lounge related to its build-out.

The bulleted information below establishes the proposed scope of work to rehab and refurbish & convert the venue located at 1118 N. 4th Street into a functional and FCC compliant Broadcast Radio Station.

Items to be replaced or in need of repair include:

- Electrical outlets
- Counter Tops for the Radio Station side of the venue
- Floor Panels
- Base Board Panels
- Bar sink water return lines
- Main entrance area Paint
- Interior walls painting needed for both sides
- Bathroom stalls repair
- New flooring/carpcting for both sides
- Outside Awning replacement and signage

The amount of work needed to rehab and refurbish this venue outlines the gist of our request to be allowed (2) months to build out the venue and to convert one half of said venue into a fully functional and FCC compliant Broadcast Radio Station.

Lounge/Restaurant Items to be replaced include:

- Ovens
- Fryers
- Refrigeration Units
- Grill/s
- Prepping tables
- Blenders
- Commercial Grade Utensils
- Dishwasher
- Ice Machines
- Dumpsters
- Cleaning Aids, Mops, Commercial Scrubbers, Floor Mats etc.
- Beverage Supply Lines

The amount of work needed to rehab and refurbish this venue outlines the gist of our request to be allowed (2) months to build out the venue and to convert one half of said venue into a fully functional and FCC compliant Broadcast Radio Station.

Many of the above referenced kitchen and lounge items were sold at auction.