

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

DATE

July 11, 2023

RESPONSIBLE STAFF

Rhonda Szallai, Real Estate, Department of City Development

PARCEL ADDRESS & DESCRIPTION

2743 North 59th Street (Property): The home was built in 1924 and the commercial addition was built in 1970 and last used as a tavern. The home is two bedrooms with 1,188 square feet and the commercial unit is 820 square feet. The Property was acquired by the City of Milwaukee through tax foreclosure in September 2016. The former owner was a tenant in the home until 2021 when he passed away.



BUYER/ PROJECT DESCRIPTION

Clarence Hall Jr. owner of Hall Quality Construction, LLC or its assignee ("Buyer") plans to purchase and renovate the Property as an owner-occupied residence and office for his home improvement/masonry business.

The Buyer has been an independent Journeyman Masonry Contractor and Instructor for over 30 years. Mr. Hall Jr. established Hall Quality Construction, LLC. ("HQC") in 2013, approximately 10 years ago. HQC, LLC has been a Small Business Enterprise since its inception.

Buyer estimates spending approximately \$81,000 to purchase and renovate the Property using his own expertise and pool of Contractors used in his home improvement/masonry business.

PURCHASE TERMS AND CONDITIONS

The purchase price will be \$45,000. The conveyance will be on an "as is, where is" basis including all environmental and geotechnical conditions, if any.

A broker commission of \$1,000 will be paid from closing proceeds to Shorewest Real

Estate.

The Property is zoned LB2 and the proposed use as a Contractor Shop and Office is allowed under LB2 zoning.

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.

The Buyer will also pay a \$1,000 performance deposit regarding the Buyer's duty to complete renovations and obtain a Certificate of Completion within 18 months of closing.

The Buyer will be required to meet the City's General Buyer Policies and execute a City Purchase and Sale Agreement, which will outline all terms of the transaction. 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, with the remaining proceeds being deposited in the City's Tax Deficit Fund.

Due Diligence Checklist
Address: 2743 North 59th Street

<p>The Commissioner's assessment of the market value of the property.</p>	<p>2743 North 59th Street (Property): The home was built in 1924 and the commercial addition was built in 1970 and last used as a tavern. The home is two bedrooms with 1,188 square feet and the commercial unit is 820 square feet. The Property was acquired by the City of Milwaukee through tax foreclosure in September 2016.</p> <p>The price for the Property will be \$45,000.</p>
<p>Full description of the development project.</p>	<p>Clarence Hall Jr. owner of Hall Quality Construction, LLC or its assignee ("Buyer") plans to purchase and renovate the Property as an owner-occupied residence and office for his home improvement/masonry business.</p> <p>The Buyer understands that the proposed project may require certain City approvals in addition to the approval of the Land Disposition Report.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>DCD Design Review Team approved the Buyer's plans to replace the front window, and door and make necessary repairs to the exterior walls and roof of the front commercial unit. The Buyer will also clean out and renovate the residential unit as needed.</p> <p>The Buyer will remove dead and overgrown landscaping and plant new where needed. The Buyer will use portable planters to enhance the front of the commercial space.</p>
<p>Developer's development project history.</p>	<p>The Buyer has been an independent Journeyman Masonry Contractor and Instructor for over 30 years. Mr. Hall Jr. established Hall Quality Construction, LLC. ("HQC") in 2013, approximately 10 years ago. HQC has been a Small Business Enterprise since its inception.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>The Buyer estimates spending about \$81,000 to purchase and renovate the Property. The Buyer will explore applying for Commercial Revitalization Grant funds for signage, façade and storefront activation through the City to assist with renovations but it's not required for the sale. The buyer will use conventional financing and/or an SBA loan.</p>
<p>Project cash flows for the lease term for leased property.</p>	<p>Not Applicable. The Property will be owner-occupied.</p>
<p>List and description of project risk factors.</p>	<p>The closing is contingent upon the Buyer, at Buyer's cost, obtaining all necessary approvals and financing.</p>
<p>Tax consequences of the project for the City.</p>	<p>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>