

Due Diligence Checklist
Address: 1239 South 11th Street

The Commissioner's assessment of the market value of the property.	1239 South 11 th Street is a 2,430 SF vacant, two-story mixed-use building constructed in 1885, with a lot area of approximately 2,000 SF. The City of Milwaukee acquired the property on December 17, 2012 through tax foreclosure. Purchase price is \$30,000, which factors in the building's overall condition. The property is being sold "as-is, where-is," without any guarantees. The property is in the Walker's Point Neighborhood in the 12 th Aldermanic District.
Full description of the development project.	The Buyer proposes to purchase, renovate and add interior improvements to create a café with a high-quality bakery and pastry business. The estimated renovation costs are not expected to exceed \$205,000.
Complete site, operations and scope of work for redevelopment.	Please see the Land Disposition Report for details.
Developer's project history.	Ms. Ortiz currently operates her business in her home. The Buyer is pursuing the next step to move her business from her home to a building that will accommodate continued success. This will be the Buyer's first commercial real estate investment in Milwaukee.
Capital structure of the project, including sources, terms and rights for all project funding.	The estimated renovation costs will include personal funds, a Small Business Administration ("SBA") loan, a Wisconsin Women's Business Initiative Corporation ("WWBIC") commercial loan and City funding assistance towards the project through a Neighborhood Improvement Development Corporation ("NIDC") Rental Rehabilitation Loan and the City's Facade Grant and Commercial Property Renovation Loan programs.
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. Ms. Ortiz has successfully run her business out of her home for over 10 years and staff believes renovating this building will assist with the growth of the business and add stability and value to the neighborhood.
Tax consequences of the project for the City.	The deed of conveyance will contain a restriction prohibiting the Buyer, any 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.