

Due Diligence Checklist
Address: 1349-51 North 38th Street

<p>The Commissioner's assessment of the market value of the property.</p>	<p>1349-51 North 38th Street: A 2,132 sf duplex house on a 3,600 sf lot acquired on December 18, 2017 by the City of Milwaukee through tax foreclosure. The property is in the Martin Drive neighborhood and the Near West Side Planning area. The property has an assessed value of \$33,200.</p> <p>The purchase price is \$2,500 plus closing costs. The Buyer estimates the rehabilitation cost for the duplex will be \$25,250.</p>
<p>Full description of the development project.</p>	<p>Rehabilitation of a duplex for investment purposes. The Buyer desires to control the site due to its location; it is across the alley from the future business location of one of the business partners. The conveyance will be on an "as is, where is" basis. The deed of conveyance will have a two-year ownership restriction and a restriction prohibiting the Buyer from applying to the City for property tax exemption status.</p>
<p>Complete site, operations and scope of work for redevelopment.</p>	<p>Please see the Land Disposition Report for details.</p>
<p>Developer's project history.</p>	<p>One of the partners currently owns five investment properties in the neighborhood and has been a responsible neighborhood investor owner since 2013.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>Not applicable.</p>
<p>Project cash flows for the lease term for leased property.</p>	<p>Not applicable.</p>
<p>List and description of project risk factors.</p>	<p>The building could potentially be sold to a non-responsive investor-owner jeopardizing the stability of a new neighborhood business.</p>
<p>Tax consequences of the project for the City.</p>	<p>The property will be returned to the tax rolls and will be fully taxable. 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.</p>