

Due Diligence Checklist

Address: 3409 North 37th Street former Frederick Douglass School

<p>The Commissioner's assessment of the market value of the property.</p>	<p>Frederick Douglass School-3409 North 37th Street ("Property"). The City acquired the Property in 1988 and it has been vacant since 2006. MPS declared the Property surplus in 2015. The building was constructed in 1954 and has 38,036 gross building area on a 1.05 acre parcel. The Property is being sold "as is, where is," including all environmental and geotechnical conditions, without any guarantees.</p> <p>The price for the Property will be \$160,000. The appraised value on March 23, 2016 was \$240,000 with \$137,905 identified as deferred maintenance.</p>
<p>Full description of the development project.</p>	<p>Pilgrim Rest Missionary Church, Inc. ("Buyer") estimates spending \$635,000 to purchase and renovate the Property for use as a MPS Charter School (K4-5th grade). They also envision using the Property for after school programs, community recreation programs, summer learning, community computer lab, performing arts, GED classes and other personal development learning opportunities.</p> <p>The Buyer understands that the proposed project may require certain City approvals (BOZA) in addition to the approval of the land disposition report. Closing is contingent upon Buyer obtaining all necessary approvals and financing.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>See Land Disposition Report.</p>
<p>Developer's development project history.</p>	<p>Buyer plans to use Anthony Kazee of KG Development Group as their Contractor for the proposed renovations.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>Buyer has the funds to purchase and renovate the Property and is not requesting any City funding. Their funds came from the recent sale of their church property on Sherman Boulevard.</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>Closing is contingent upon Buyer obtaining all necessary approvals and financing if needed.</p>
<p>Tax consequences of the project for the City.</p>	<p>The deed of conveyance will contain a Reversionary Clause consistent with 119.61(4)(c)(5)(b) where Buyer must complete the renovations and occupy within 24 months. At closing, the sale proceeds less any sales and closing expenses incurred by the Redevelopment Authority of the City of Milwaukee shall be deposited in the Milwaukee Public Schools Operations Fund.</p> <p>The deed of conveyance will contain restrictive covenants for</p>

	performance, prohibitions for tax exemption and certain uses, conditions under which a liquor license may be issued and reversion of title provision for non-compliance.
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