

Due Diligence Checklist
Address: 4706-08 West Fond du Lac Avenue

The Commissioner's assessment of the market value of the property.	The property at 4706-08 West Fond du Lac Avenue is being sold "as is, where is" without any guarantees. From 1960-1985, the property was formerly a Fruit Ranch office and most recently was used as a church in 2010. The City of Milwaukee acquired the property in November, 2011 through tax foreclosure. The City's listing price was \$20,000. The purchase price is \$10,000, which factors in the building's overall condition.
Full description of the development project.	The Buyer proposes to renovate and open a new real estate office to meet growing business needs. Ms. Mays expects to create eight total jobs, six of which will be full-time employees.
Complete site, operations and scope of work for redevelopment.	Details include, but are not limited to new offices, new rubber roof, conference rooms and workstations, new gas furnace, duct work, new water heater, new carpeting and two new bathrooms. Exterior improvements will include a new awning among other improvements.
Developer's project history.	This is the Buyer's first commercial real estate investment. Ms. Mays owns a residential property in the City of Milwaukee. The Buyer has extensive history and relationships in the real estate field, which should help with renovating the building.
Capital structure of the project, including sources, terms and rights for all project funding.	The estimated renovation costs of \$78,000 will include personal funds, City grants and "sweat equity" towards the project. The Buyer is seeking a Milwaukee Economic Development Corporation loan and also provided a letter from her lender to demonstrate adequate funding for purchase and rehabilitation.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	DCD staff determined if the building remains vacant, the deferred maintenance and costs to cure would be minimized if property was sold. Staff believes renovating this building will add stability and value to the commercial corridor.
Tax consequences of the project for the City.	The Buyer plans to invest \$88,000 into the project. The deed of conveyance will contain a restriction prohibiting the Buyer, assignees or successors from applying to the City for tax-exempt property status. Thus, a tax-exempt building will be returned to the property tax rolls.