

Due Diligence Checklist
Address: 4018-20 West Center Street

<p>The Commissioner's assessment of the market value of the property.</p>	<p>The property at 4018-20 West Center Street is being sold "as is, where is" without any guarantees. From 1935-1970, the Property was occupied as a grocery store. The most recent use was a Central Cellular phone store in 2010. The City of Milwaukee acquired the property in October, 2013 through tax foreclosure. The City's Listing Price was \$20,000. The Purchase Price is \$11,500, which factors in the building's overall condition.</p>
<p>Full description of the development project.</p>	<p>The Buyer proposes to renovate and lease the property to a local operator for a small sandwich shop. Buyer also plans to rehabilitate and rent the second floor apartment. The estimated renovation costs are \$53,025.</p>
<p>Complete site, operations and scope of work for redevelopment.</p>	<p>Renovations will include updating electrical and plumbing, roof replacement, seal sidewalk to foundation on south and east sides of property. Scraping and painting all wood surfaces around windows. Install missing window storms and screens on all sides. Exterior work includes lighting, signage, gutter repair and new security system among other improvements.</p>
<p>Developer's project history.</p>	<p>This is Buyer's first real estate investment in Milwaukee. The former City of Milwaukee employee also will have family members involved in operating the business and assist with the renovations.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>Mrs. Marshall will use personal funds and "sweat equity" towards purchase and renovations on the project. Buyer has applied for a Rental Rehabilitation matching grant and may seek funding through the City's Facade Grant program and its "White Box" funds to renovate the property. Buyer submitted a letter from Chase Bank to demonstrate adequate funds for purchase and renovation costs.</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>DCD real estate staff determined if the building remains vacant, the deferred maintenance and costs to cure would be minimized if property was sold. Staff believes sale and renovation of this building will add vitality, stability and value to the neighborhood.</p>
<p>Tax consequences of the project for the City.</p>	<p>The Buyer plans to invest \$64,525 in the project. The property will be fully taxable. The deed of conveyance will contain a restriction prohibiting the Buyer, assignees or successors from applying to the City of Milwaukee for tax-exempt property status. Thus, a vacant, tax-exempt building will be returned to the property tax rolls.</p>