

**LAND DISPOSITION REPORT AND DUE DILIGENCE CHECKLIST
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE




March 6, 2024

RESPONSIBLE STAFF

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Department of City Development, Real Estate Section

PARCEL ADDRESSES AND DESCRIPTION

1606 West Walnut Street (the "Property"), is a 2,436 square foot multi-story building that was built in 1886 and has a lot size of approximately 7,803 square feet with a two-car detached garage and several parking spaces on the east side of this building. The City of Milwaukee ("City") acquired the property on March 24, 2021 through property tax foreclosure.

	
<p>City commercial property front view</p>	 1606 West Walnut Street

BUYER

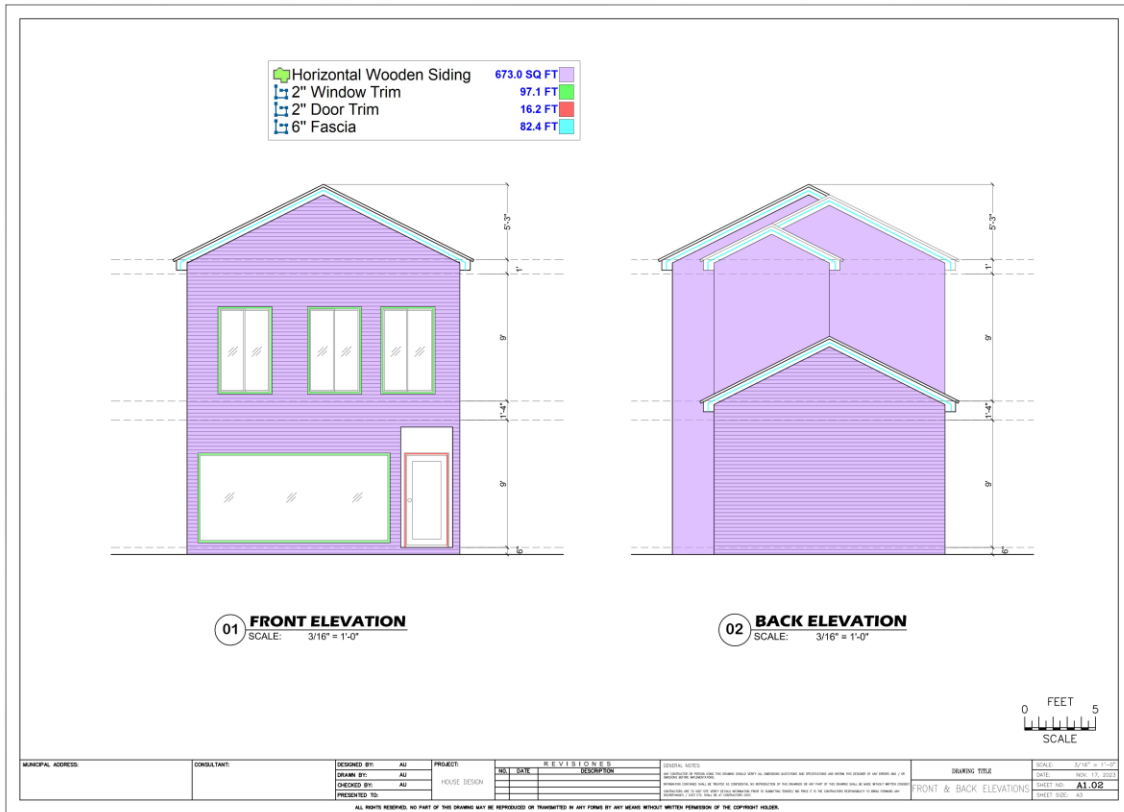
PrimeTime Gaming LC, (the "Buyer"), or its assignee, is owned and operated by Nathan and Jenean Shorter. The Buyer intends to purchase and renovate the building to operate a new gaming center, offering a safe space for gamers. The Department of City Development ("DCD") listed the property for sale as a Request for Proposal. DCD received several submittals and recommended the Buyer for sale approval.

The Buyer's gaming center will provide a state-of-the-art, high tech gaming experience for people of all skill levels. The business will create an environment for both casual and competitive gamers, offering pay-to-play transactions on high powered PCs, as well as gaming consoles such as Xbox, Switch and Play Station. The gaming center will offer frequent events to attract competitive gamers or those seeking a platform to experience an invigorating tournament for the first time. Prime Time Gaming's upscale, futuristic venue will provide a unique social setting that redefines gaming.

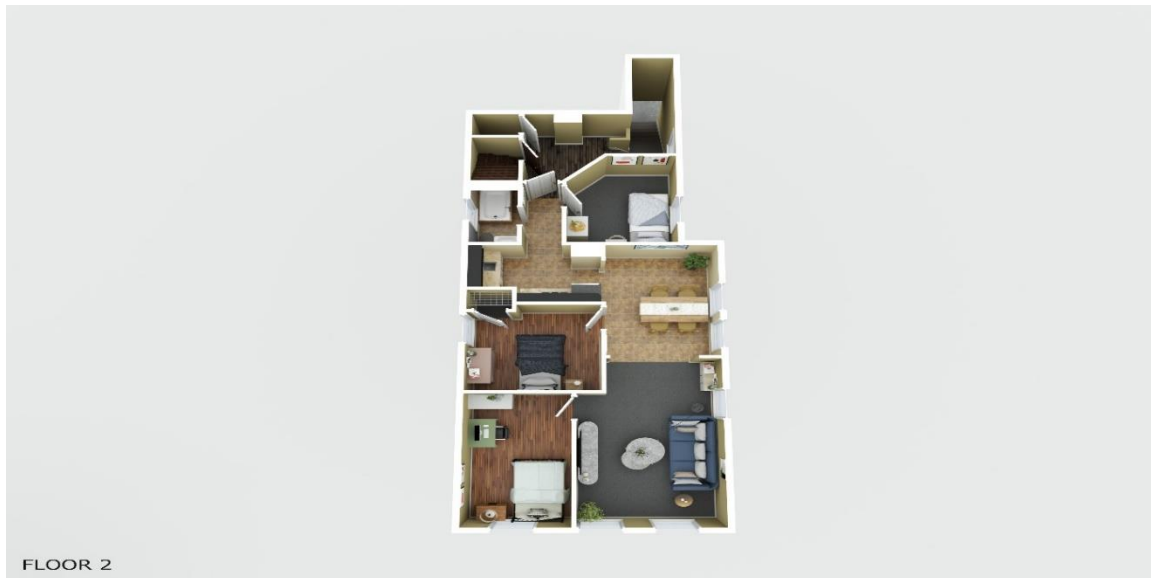
PROJECT DESCRIPTION

PrimeTime Gaming LC will operate six days a week, driving multiple revenue streams according

to the Buyers. The focus will include, but not be limited to Pay-to-Play; Retail Pro Shop; concessions and Buy/Sell/Trade/Repair of consoles and video games. The Business will have two full-time positions and four part-time employees.



Buyer's conceptual rendering at 1606 West Walnut Street (front view and back view)



Buyer's conceptual rendering at 1606 West Walnut Street (interior floor plan)

PrimeTime Gaming LC is scheduled to outfit the interior space with modular furniture, fixtures, décor and aesthetics from an attractive gaming design and LAN center build out company, E-Blue. E-Blue is a manufacturer that creates custom interior for gaming LAN centers in retail locations. E-Blue was carefully chosen by the Buyers because of the high-quality, high-tech environment that E-Blue demonstrates in its products.

The layout of the space will capture the following key elements:

- Gaming bullpen (to include 8 gaming stations)
- Tournament stage (12 gaming stations and one grand)
- Front Desk
- Retail cases
- Concession counter
- Handicap accessible bathroom
- Server room

An outdoor patio area for customers will be installed for seasonal use for eating. Bicycle parking for patrons will be provided and new signage that meets City guidelines will be added on the building's exterior. The City's Commercial Corridor Team will also provide funding resources and technical assistance to assist with renovations.

The Buyer's financing will come from a local lender, personal savings and City funding resources if applicable. The Buyers are also talking with MEDC about financing assistance.

The Buyer's project may require certain City approvals in addition to the approval of the Land Disposition Report. Closing is contingent upon the Buyer obtaining all necessary approvals, financing and DCD approval of the final building exterior elevations. Total estimated rehabilitation costs are approximately \$225,000.

PURCHASE TERMS AND CONDITIONS

The purchase price is \$40,000 and Buyer shall pay all costs at closing. The conveyance will be on an "as is, where is" basis. The Buyer agrees to obtain all necessary City permits and approvals, including Board of Zoning Appeals approvals, as needed. The Buyer will pay a \$2,500 performance deposit regarding Buyer's duty to complete renovation and obtain a Certificate of Completion, by September 15, 2025. Buyer will be required to meet the City's General Buyer Policies. The Buyer will execute a City Purchase and Sale Agreement, which will outline all terms of the transaction.

The conveyance of the property will be "as is, where is." The deed of conveyance will contain a restriction prohibiting the Buyer, or its successors, from applying to the City for tax-exempt property status and a deed restriction prohibiting the Buyer from conveying to another prior to Buyer obtaining the Certificate of Completion.

At closing, subtracted from the sale proceeds will be sale and marketing expenses and a 30 percent disposition cost reimbursement to the Redevelopment Authority of the City of Milwaukee, with the remaining proceeds being deposited in the Delinquent Tax Fund.

DUE DILIGENCE CHECKLIST

ADDRESS: 1606 WEST WALNUT STREET

The Commissioner's assessment of the market value of the property.	The Property at 1606 West Walnut Street is a 2,436 square foot multi-story building that was built in 1886 and has a lot size of approximately 7,803 square feet, with on-site parking spaces on the east side of the parcel. The property is zoned LB2 or local business and is being sold "As Is, Where Is," without any guarantees.
Full description of the development project.	Prime Time Gaming LC, (the "Buyer") will purchase and renovate the building to be the new gaming center for young and old to have a safe space for gamers.
Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.	The Buyer was advised that any changes or modifications to the exterior facade may require approval from the City Planning staff. The City's Commercial Corridor Team plans to provide technical assistance on the renovations. The Buyers are also talking with MEDC about financing.
Developer's development project history.	Nathan and Jenean Shorter, pursued the City property when The Department of City Development ("DCD") solicited a Request for Proposals. This will be the Buyer's first commercial development. The Buyers, who reside in Milwaukee, have been actively involved with housing initiatives and other activities in Milwaukee for many years. Ms. Shorter is currently employed with ACTS Housing.
Capital structure of the project, including sources, terms and rights for all project funding.	The purchase price is \$40,000 and the Buyers shall pay all costs at closing. Total renovation and improvement costs are approximately \$225,000. The Buyer's financing was approved by her lender and will include personal savings. The Buyers plans to explore available City funding resources if applicable. The Buyers also are seeking financial assistance through MEDC.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	If the building remains vacant, the deferred maintenance and costs to cure will continue to increase. Vacancy of the building will serve as a hindrance on efforts to bring commercial development along this stretch of West Walnut Street, in the 15th Aldermanic District.
Tax consequences of the project for the City.	The property will be fully taxable. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status.