

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

DATE

September 2, 2021

RESPONSIBLE STAFF

Dwayne Edwards, Program Manager, Department of City Development

PARCEL ADDRESS AND DESCRIPTION

540 North 27th Street (the "Property"), is a one-story, 1,664 square foot, vacant, commercial building having a 24-space surface parking lot on a 14,400 square foot parcel. The City of Milwaukee ("City") acquired the property on November 26, 2019 through property tax foreclosure.

<p>City commercial property (NE view)</p>	<p>540 North 27th Street <input type="checkbox"/></p>

BUYER

Buffalo Boss Midwest LLC (the "Buyer"), or its assignee, is owned and managed by Taj M. Pearsall who started the business at Sherman Phoenix in March 2019. The Buyer has successfully grown Buffalo Boss and is relocating the business, as Mr. Pearsall desires to have his own restaurant location.

The Buyer proposes to purchase and renovate the building to operate "Buffalo Boss Restaurant," a successful retail chicken wing business currently operating at the Sherman Phoenix on West Fond du Lac Avenue. The buyer envisions this will be the first of a chain of Buffalo Boss locations in and around Milwaukee.

PROJECT DESCRIPTION

The Buyer brings an experienced contractor, Larry Adams of Craftsman Restoration Guild to the business venture, who will manage the renovations. As part of the City's Near West Side comprehensive plan, the Near West Side Partners and Marquette University are aggressively recruiting businesses to the corridor. Near West Side Partner staff along with officials from Marquette University, met with Mr. Pearsall to discuss the project and have provided letters of

support for his project, which are included with the report.

The property renovations at 540 North 27th Street will include interior improvements for electrical and plumbing upgrades, indoor seating, restrooms and new décor for diners. The buyer plans larger windows with clear glazing, roof repair, lot paving, landscaping, security cameras and exterior lighting features. Signage, tuck-pointing of brick and power washing will provide enhancements to the buildings' exterior.

Total estimated renovation costs are approximately \$300,000, with a portion of the renovations being completed through "sweat equity" and the assistance of the Business Improvement District and the City's Commercial Corridor team. 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 Department of City Development approval of the final building exterior elevations.



PURCHASE TERMS AND CONDITIONS

The purchase price is \$1,000, which factors in the overall condition of the property. The Buyer will use Legacy Redevelopment Corp., and MEDC for financing, while also exploring available City funding resources that may be applicable.

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 of Milwaukee for tax-exempt property status. 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: 540 NORTH 27TH STREET

The Commissioner's assessment of the market value of the property.	<p>The Property at 540 North 27th Street is being sold "as is, where is," without any guarantees. The property is zoned LB2 or Local Business. The single-tenant space was previously occupied as a child daycare center.</p> <p>The purchase price for the property is \$1,000. The property has considerable deferred maintenance, including defective electrical and plumbing and deferred exterior maintenance.</p>
Full description of the development project.	Buffalo Boss Midwest LLC (the "Buyer"), or its assignee will manage day-to-day operations. The Buyer will purchase and renovate the property to operate a new chicken wing restaurant business called "Buffalo Boss."
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 of Milwaukee and monitored by the City's Commercial Corridor Team.
Developer's development project history.	This will be the Buyer's first commercial development.
Capital structure of the project, including sources, terms and rights for all project funding.	The estimated renovation and improvement costs are approximately \$300,000. The Buyer will use Legacy Redevelopment Corp., and MEDC for financing. The Buyer will also explore available Business Improvement District assistance and City funding resources that may be available.
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 and be a blight on the area. Continued vacancy of the building will serve as a hindrance on efforts to redevelop the property and this stretch of the Near West Side Business Corridor.
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.