

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

## DATE

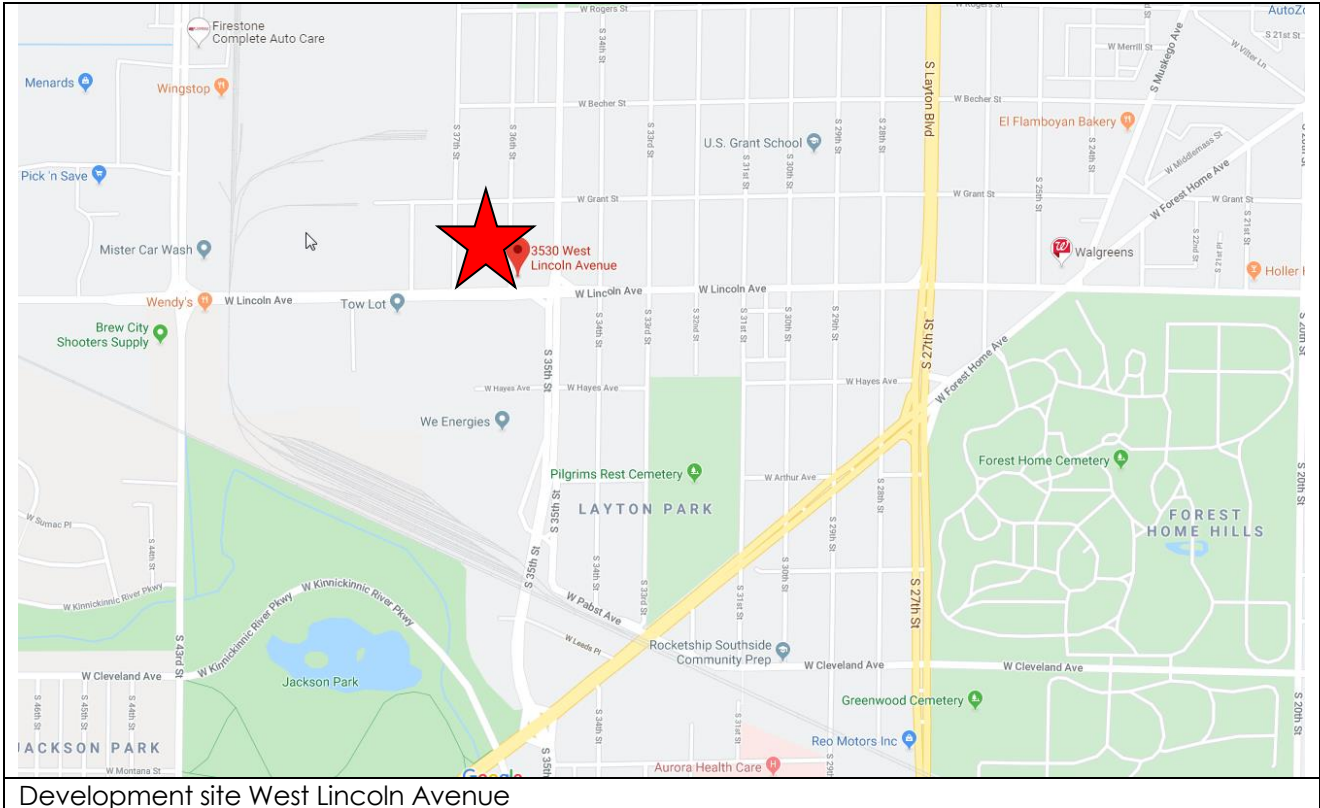
January 24, 2020

## RESPONSIBLE STAFF

Yves LaPierre, Program Manager, Department of City Development

## PROPERTY

3530-34 West Lincoln Avenue: A City-owned vacant lot acquired through tax foreclosure on January 4, 2016. The lot totals 6,600 square feet and is located in the Layton Park neighborhood.



## BUYER

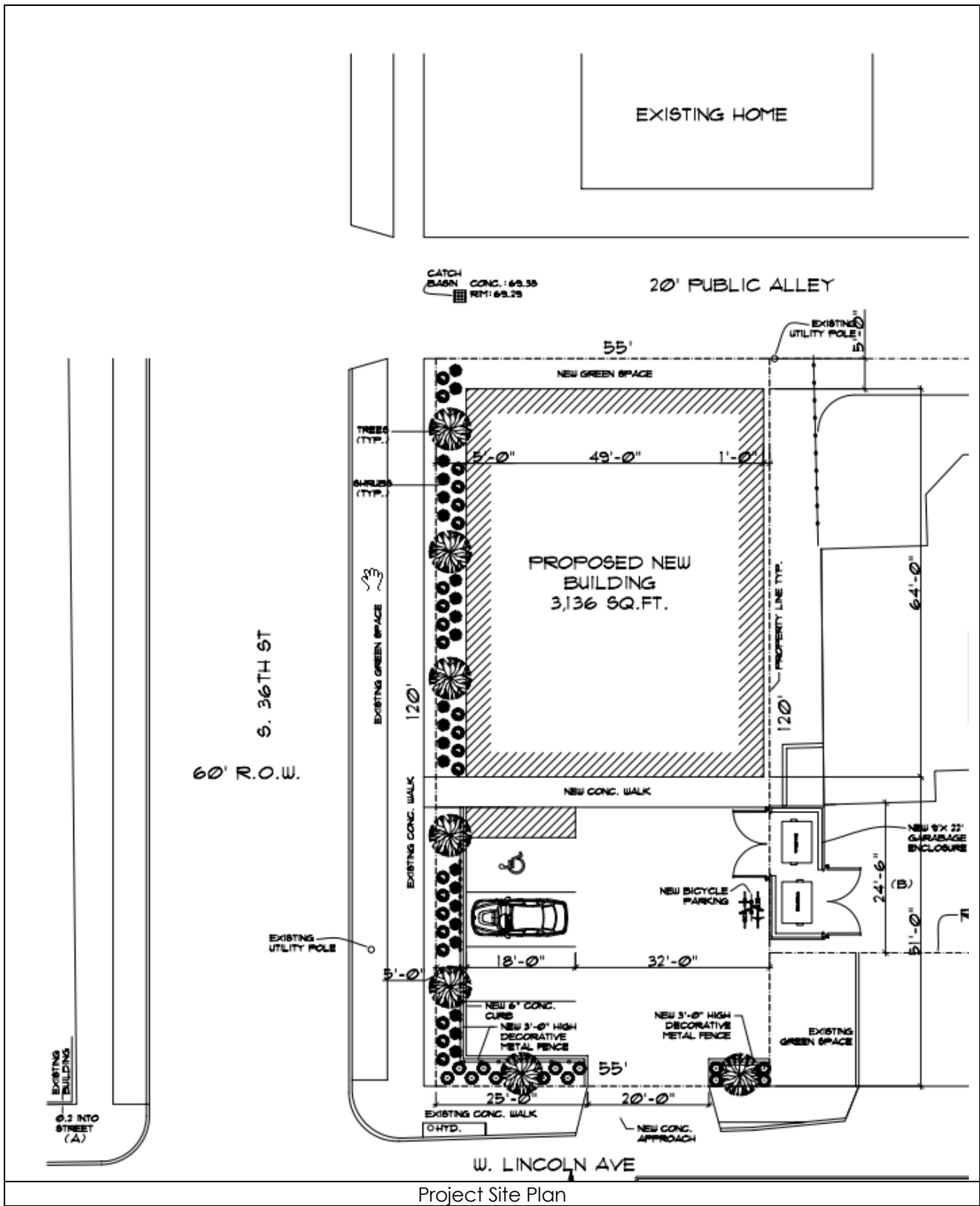
Mandeep Dhawan dba Dhawan Corporation and Lincoln Market LLC. Mr. Dhawan has developed gas stations and small markets across the city and owns the adjacent gas station at 3510 West Lincoln Avenue.



Project View



Project View



Project Site Plan

**PROPOSED DEVELOPMENT**

Development of a vacant lot with a one-story, commercial space to house a grocery store. Project costs are estimated at \$300,000. The project will be financed with the Buyer's equity and private financing. BMR Design Group are the designers of the project.

**OFFER TERMS AND CONDITIONS**

The purchase price is \$24,000. A Purchase and Sale Agreement will be executed with Dhawan to outline performance obligations and assure satisfactory compliance through reversion of title power. A \$5,000 performance deposit will be required. Conveyance will be by quit claim deed on an "as is, where is" basis, with a deed restriction prohibiting tax-exempt status. A Certificate of Code Compliance must be provided within eighteen months following the closing as evidence of satisfactory redevelopment and conformance with City of Milwaukee code. The sale proceeds, less sale and marketing expenses and a 30 percent disposition fee to the Redevelopment Authority of the City of Milwaukee, shall be credited to the Delinquent Tax Fund.

## DUE DILIGENCE CHECKLIST

ADDRESS: 3530 WEST LINCOLN AVENUE

Market value of the property.	City-owned vacant lot acquired through tax foreclosure in 2016. The lot totals 6,600 square feet. The property is being sold "as is, where is," without any guarantees. The \$24,000 sales price is based on assessment records and appraisal of comparable properties.
Full description of the development project.	Development of a one-story commercial space with grocery store.
Complete site, operations and scope of work for development.	Please see the Land Disposition Report for details.
Developer's project history.	Dhawan has many years' experience in real estate development and property management in Milwaukee.
Capital structure of the project, including sources, terms and rights for all project funding.	Project will be funded with the developer's equity and private financing.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	Department of City Development staff determined that there is low risk in selling the property to Dhawan, based on the buyer experience and successful property management
Tax consequences of the project for the City.	The deed of conveyance will contain a restriction prohibiting the Buyer, its assignee or its successors from applying to the City for tax-exempt property status. Thus, formerly vacant, tax-exempt property will be returned to the property tax rolls.