

**Due Diligence Checklist**  
**Address: 3700-02 North 27<sup>th</sup> Street**

The Commissioner's assessment of the market value of the property.	3700-02 North 27 <sup>th</sup> Street is a 3,564 SF one-story vacant building constructed in 1951, with a lot area of approximately 7,770 SF. The City of Milwaukee acquired the property on November 14, 2011 through tax foreclosure. Purchase price is \$18,000, which factors in the building's overall condition. The property is being sold "as-is, where-is," without any guarantees. The property is in the Franklin Heights Neighborhood in the 7 <sup>th</sup> Aldermanic District.
Full description of the development project.	The Buyer, Joseph Clayton, of Tiny Tots Learning Center, proposes interior and exterior improvements to operate a day care. The estimated renovation costs are not expected to exceed \$22,000.
Complete site, operations and scope of work for redevelopment.	Please see the Land Disposition Report for details.
Developer's project history.	Mr. Clayton currently operates a day care at 4825 North 36 <sup>th</sup> Street. The buyer also has other real estate investments in Milwaukee, WI.
Capital structure of the project, including sources, terms and rights for all project funding.	The estimated renovation costs will include personal funds and "sweat equity" towards the project. Mr. Clayton also provided a letter from his financial institution to demonstrate adequate funding in his personal account 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 that there is no foreseen risk in selling the property to this Buyer. Mr. Clayton has purchased and has successfully renovated other real estate property and staff believes renovating this building will add stability and value to the neighborhood.
Tax consequences of the project for the City.	The deed of conveyance will contain a restriction prohibiting the Buyer, any assignees or successors from applying to the City of Milwaukee for tax-exempt property status. Thus, a formerly vacant, tax-exempt property will be returned to the property tax rolls.