

Due Diligence Checklist
 2708 West Wisconsin Avenue
 Former Wisconsin Avenue School

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| Market value of the property. | The property is a 92,600 SF former school building that has been vacant since 2007. One bidder, Ambassador Enterprise LLC, responded to a Request for Proposals to purchase the building with an offer of \$100,000. |
| Full description of the development project. | <p>The building will be redeveloped as Ambassador Suites, an all-suites extended stay hotel, operated in conjunction with the Ambassador Hotel, which is owned by the buyer. The Ambassador Suites will provide 23 suites, meeting and banquet space, a restaurant and an outdoor beer garden. The buyer anticipates the hotel will be a destination for business and leisure travelers, wedding ceremonies and various business and social events. Completion is anticipated prior to summer 2019. An estimated 15 full-time jobs will be created.</p> <p>The buyer is seeking federal historic designation of the school building and will renovate the exterior and other interior spaces in a manner that preserves their historic attributes.</p> <p>The project will require a zoning change and hotel, food dealer and liquor licenses.</p> <p>The hotel is being developed in conjunction with the redevelopment of the remaining buildings on the block, including the former City Campus property. These properties are owned by the buyer.</p> |
| Complete site, operations and scope of work for development. | <p>See Land Disposition Report for site plan and operations information.</p> <p>The scope of work includes interior demolition and renovation to create suites, offices, banquet kitchen, restaurant and public restrooms; asbestos and lead paint remediation; installation of new fire protection system, water service, plumbing, fire alarms and kitchen equipment; renovation of the former auditorium, cafeteria and gymnasium as meeting space; and construction of a small elevator addition to the building. The developer will install ornamental fencing surrounding the property. Parking to serve both the hotel customers and clients of the City Campus building will be developed on an existing parking lot west of 28th Street.</p> |
| Developer's project history. | Richard Wiegand, principal of Ambassador Enterprise LLC, has purchased and successfully redeveloped numerous properties in the Brewers Hill, Walkers Point and Avenues West neighborhoods. His most notable adaptive reuse project is the Ambassador Hotel, which he purchased in 1995. The hotel has been transformed from a nuisance |

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| | property to a popular hotel and dining destination, which has served as a catalyst for the revitalization of the Avenues West neighborhood. The developer is active in the Near West Side Partners and Avenues West Business Improvement District. |
| Capital structure of the project, including sources, terms and rights for all project funding. | The project will utilize a combination of private equity, historic tax credits, New Markets Tax Credits and bank financing. A bank letter of interest has been provided by the buyer's bank. |
| 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 there is low risk to selling the property to Ambassador Enterprise LLC. The buyer has established a strong track record of successful adaptive reuse of historic property and high-quality property management. The buyer has secured state and federal historic tax credits that will finance a significant portion of the project costs. The project will stimulate additional taxable investment in the Avenues West neighborhood. |
| Tax consequences of the project for the City. | Project is fully taxable. Former tax-exempt property will be added to the City tax rolls. |