

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

DATE

January 29, 2019

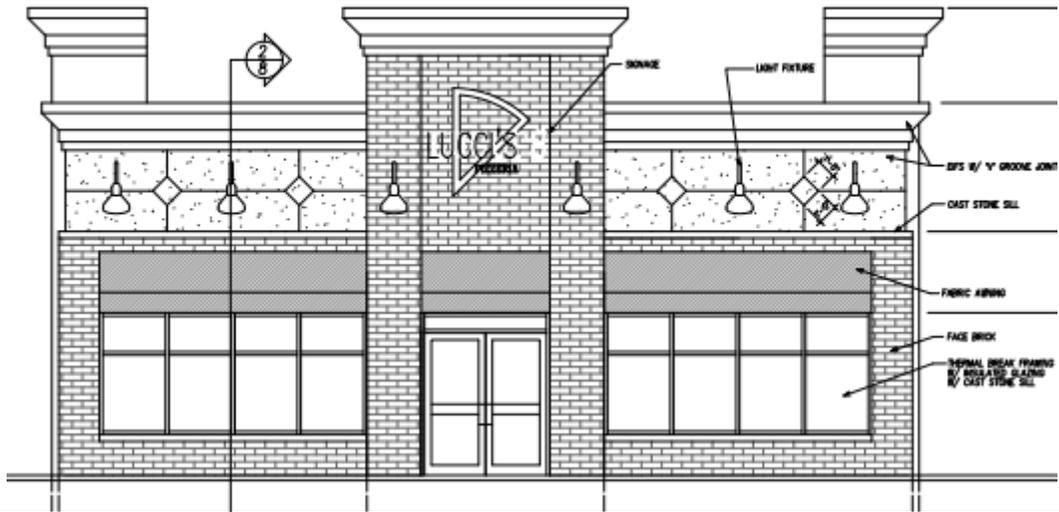
RESPONSIBLE STAFF

Yves LaPierre, Program Manager, Department of City Development

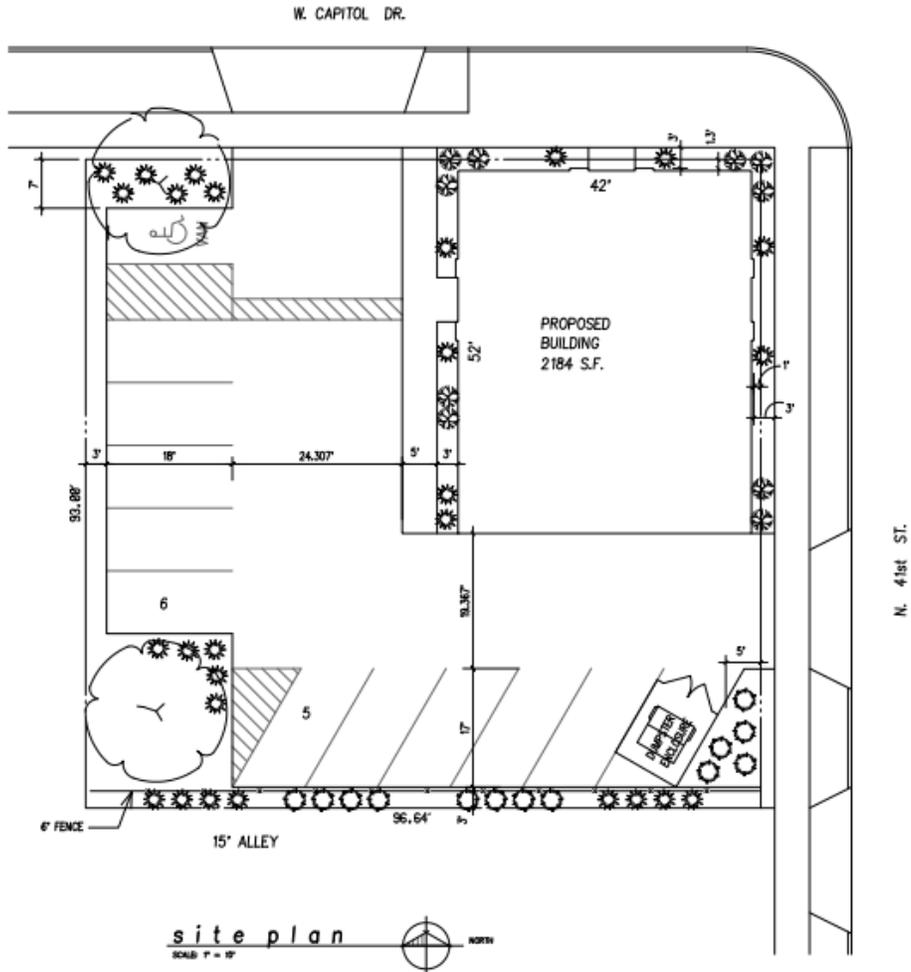
PROPERTY

4103 West Capitol Drive: City-owned vacant lot acquired through tax foreclosure in 1999. The lot totals 9,000 square feet, is zoned LB2 and is located in the Roosevelt Grove neighborhood.





Capitol Drive Elevation



Restaurant Elevation and Site Plan

BUYER

4103, LLC, owned by Abel Hamdan who will develop this site. Abel Hamdan is a successful developer of restaurants in Milwaukee.

PROPOSED DEVELOPMENT

The City lot at 4103 West Capitol Drive will be developed with a restaurant at the street edge and parking at the west and south sides. The site will be fully landscaped and fenced from the alley and adjoining residential areas. The proposed restaurant will provide sit-down dining as well as carry-out and delivery to the greater area.

The Buyer also will fund traffic calming improvements on 41st Street between Capitol Drive and Roosevelt Drive as part of the development agreement.

OFFER TERMS AND CONDITIONS

The purchase price is \$18,000. A Purchase and Sale Agreement will be executed with 4103, LLC to outline performance obligations and assure satisfactory compliance through reversion of title power. A \$10,000 performance deposit will be required and a Certificate of Completion must be provided within eighteen months following the closing as evidence of satisfactory redevelopment and conformance with City of Milwaukee codes. The conveyance will be by quit claim deed on an "as is, where is" basis, with a deed restriction prohibiting tax-exempt status. The sale proceeds, less sale 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: 4103 WEST CAPITOL DRIVE**

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| Market value of the property. | 4103 West Capitol Drive has been in City ownership since 1999 and is being sold for \$2 per square foot for a 9,000 SF lot. The property is being sold "as is, where is," without any guarantees. The sales price is based on similar sales of City-owned lots for commercial development. |
| Full description of the development project. | Development of a restaurant with associated parking and landscaping. |
| Complete site, operations and scope of work for development. | Please see the Land Disposition Report for details. |
| Developer's project history. | The Buyer has developed successful restaurants in Milwaukee. |
| Capital structure of the project, including sources, terms and rights for all project funding. | The project will be funded with the Buyers 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 4103, LLC, based on the experience of the Buyer and committed funds. |
| 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, a former vacant, tax-deed lot will be returned to the property tax rolls. |