

**Due Diligence Checklist**  
**9500 West Allyn Street and 9102 North 96th Street**  
**Former Fletcher Elementary School**

<p>Market value of the property.</p>	<p>The property is a 60,754 square-foot former school building built in 1973 on an 8.94 acre site located at 9500 West Allyn Street and 9102 North 96th Street (the "Properties") that has been vacant since approximately 2009. The Properties were appraised in 2015 for \$1,400,000. The purchase price is \$500,000 due at closing. The sale is not contingent on any City financing or City funding.</p>
<p>Full description of the development project.</p>	<p>Fletcher Affordable Limited Partnership or newly created entity (the "Buyer") proposes to redevelop the Properties into approximately 100 units of affordable housing. The unit mix will include 33-1BR, 33-2BR, and 34-3BR units. The site also will include approximately 260 surface parking spaces. Three additional floors of new construction will be added to the existing one story school building. The first floor will be leased by a variety of social service organizations including the YMCA, Social Development Commission and CrossWay Church.</p> <p>The development is contingent on allocations of Low Income Housing Tax Credits (LIHTC). LIHTC are allocated by the Wisconsin Housing and Economic Development Authority (WHEDA).</p> <p>Rehabilitation/construction of the properties will begin approximately 30 days following the acquisition of the property anticipated in 2020. Construction will take approximately 12 months and completion is anticipated by December 2021.</p> <p>Buyer is responsible for all building permits and zoning changes. The properties are currently zoned PD and the project will require a zoning change to allow for this development.</p> <p>Job creation will include full-time Property Manager and Maintenance Specialist along with additional jobs created by the service provider tenants moving to the first floor commercial space.</p>
<p>Complete site, operations and scope</p>	<p>See Land Disposition Report for site plan.</p>

of work for development.	The scope of work estimates expenditure of approximately \$28 million and includes the building purchase; interior and exterior renovation, site renovations and new construction of three additional floors. The site also will include approximately 260 surface parking spaces. Exterior building and site plans will require Department of City Development Planning ("DCD") review and approval.
Developer's project history.	White Lotus Group will be the Developer and has offices in Chicago and Omaha. They have experience in affordable housing and school renovation projects in Chicago nearing completion in 2020. They will partner with American Design and Leo Daley as their Architect, JCP Construction as their Contractor, Kapur & Associates as their Surveyor and Giles Engineering as their Environmental Consultants.
Capital structure of the project, including sources, terms and rights for all project funding.	The project will utilize a combination of private equity, LIHTC from WHEDA, bank financing and potential other sources.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	The proposal includes financing contingencies that require allocations of LIHTC. LIHTC are allocated by WHEDA. The project will be at risk should any of the anticipated tax credit allocations not be secured in 2020. The buyer has established a strong track record of applying for/securing tax credits for adaptive reuse in other states. Also, the sale terms allow an option to extend the closing date for an additional year, should the Buyer need to re-apply for LIHTC in a future allocation round.
Tax consequences of the project for the City.	Project is fully taxable. Former tax-exempt property will be added to the City tax rolls. The project will stimulate additional taxable investment in the Woodlands neighborhood in Phase II. Buyer is committed to transforming the long vacant Fletcher Elementary School into a community asset and resource center.