

Due Diligence Checklist

Address: Bronzeville Creative Arts and Tech Hub

The Commissioner's assessment of the market value of the property.	<p>The development site consists of eight RACM owned parcels: 2307-09 North 6th Street, 2317-25 North 6th Street, 616-18 West North Avenue, 622 West North Avenue, 626 West North Avenue, 628-30 West North Avenue, 2316-18 North 7th Street and 2322 North 7th Street (collectively, the "Properties"). Seven of the parcels are vacant lots and one parcel is occupied a one-story commercial building that has raze order. The Properties are zoned LB2 or Local Business and have a combined area of approximately 48,725 square feet.</p> <p>The purchase price for the Properties is \$65,000 which factors into the site conditions. The property is being sold "As Is, Where Is," without any guarantees.</p>
Full description of the development project.	<p>Michael Adetoro, managing member, Fit Investments LLC has formed Bronzeville Apartments, LLC to be the initial purchaser (the "Buyer"). The project will comprise a 60-unit mixed-income, multi-family residential building to be owned by Buyer. The project also includes a commercial component to be owned by Bronzeville Arts and Tech Hub, LLC. having approximately 29,000 square feet of total commercial buildable area of which approximately 18,000 square feet of usable commercial space. The total building area is 124, 000 square feet along with 47 parking spaces. The estimated budget is \$29,000,000. See Land Disposition Report for details.</p>
Complete site, operations and scope of work for redevelopment.	Please see the Land Disposition Report for details.
Developer's project history.	<p>Michael Adetoro is Managing Partner of FIT Investment Group, LLC, and has over 17 years of business and technology experience including 10+ years with a focus on Real Estate Investment and Development. Michael is a proud graduate of the Associates in Commercial Real Estate Certificate (ACRE) program and holds a Master's degree in Electrical Engineering.</p> <p>Please see Land Disposition Report for more specific details.</p>
Capital structure of the project, including sources, terms and rights for all project funding.	<p>The proposed financing structure includes and is not limited to: Equity from low income housing tax credits, WHEDA tax exempt bond financing, Milwaukee Housing Trust Funds, Tax Incremental Financing, Brownfield Revolving Loan Fund, potential New Market Tax Credits, and deferred developer fees and other grants and loans.</p>
Project cash flows for the lease term for leased property.	Not applicable.

List and description of project risk factors.	<p>The Buyer is in the process of obtaining binding funding commitments for the cost of the commercial portion of the project. The Buyer shall provide proof of a binding funding commitment for the cost of the core and shell portion of the commercial component (currently estimated to be \$3,500,000, subject to change) as a condition precedent to the City's obligation to close on this sale. Additionally, post-closing, failure to timely substantially complete construction on the remaining commercial component may result in the City and/or RACM retaking said portion of the development site and the payment of liquidated damages, which shall not exceed \$250,000.</p>
Tax consequences of the project for the City.	<p>This formerly vacant, tax-exempt property will be returned to the property tax rolls.</p> <p>The deed of conveyance will contain a restriction limiting the Buyer's, assignees or successors from applying to the City of Milwaukee for tax-exempt property status.</p> <p>The Buyer shall be subject to a Payment in Lieu of Taxes Agreement in connection with the Tax Incremental Financing for the project (pursuant to a separate Common Council file the TID 121- Bronzeville Arts & Tech Hub) and corresponding Cooperation and Development Agreement.</p>