



PROPOSAL SUMMARY & PUBLIC DISCLOSURE STATEMENT SURPLUS MPS PROPERTY (WIS. STAT. § 119.61 SALES)

This form serves to summarize the proposed purchase, redevelopment, and use of the undersigned for a building made available for sale in accordance with Wis. Stat. § 119.61. It must be completed and submitted by any party deemed to be an Education Operator under Wis. Stat. § 119.61(4)(c) or (4)(d) and must be accompanied by information about any planned renovation that affects the exterior of the building and the site. Attach additional information as needed. Confidential material must be clearly identified as proprietary.

The exact terms of the sale will be memorialized in a Purchase & Sale Agreement between the City of Milwaukee and the eventual purchaser (sample available). Pursuant to standard City of Milwaukee real estate practices, prior to the City of Milwaukee executing the Purchase & Sale Agreement, the sale must be approved by the Common Council of the City of Milwaukee. The City's closing contingencies may include final approval of plans, proof of firm financing for both the purchase and proposed renovations, and proof that all necessary permits have been obtained. Final plans must conform to the preliminary submittal as approved by the Common Council. Changes to the plans prior to closing may require an additional Common Council approval. Conveyance is on an "as is, where is" basis and the deed will include a reversionary clause as allowed by Wis. Stat. § 119.61(4)(c)(5)(b).

If buyer seeks to exempt the property from property taxation, buyer must apply for exemption from the City of Milwaukee Tax Assessment Commissioner. Approval of sale does not confer property tax exemption.

PROPERTY ADDRESS: 4116 W. SILVER SPRING DRIVE, MILWAUKEE, WI (AKA CARLETON)

BUYER IDENTIFICATION (LEGAL NAME): ROCKETSHIP EDUCATION INC., ROCKETSHIP EDUCATION WISCONSIN, INC., OR AN AFFILIATED TO-BE-FORMED LIMITED LIABILITY COMPANY OF LAUNCHPAD DEVELOPMENT COMPANY

Mailing address: 350 Twin Dolphin Drive, #109, Redwood City, CA 94065

Primary contact name: Laura Kozel, VP Facilities & Treasury

Telephone: 602-478-1789

Email: lkoz@rsed.org

Fax: N/A

Buyer's attorney: Maya Sethi, General Counsel, Rocketship Education

Type of legal entity (LLC, Corporation, Partnership, Other): Non Profit Corporation or LLC

State in which legal entity is organized: WI and CA

Will a new entity be created for ownership of the property? TBD, but likely an LLC formed by Launchpad Development Company, an affiliated 501c3 entity of Rocketship Education, Inc.

Principals of existing or proposed ownership entity. List name, address, title, and extent of ownership interest (All Principal entities are qualified under IRC 501c3)

Principal #1: Rocketship Education Wisconsin, Inc., a WI nonstock/nonprofit corporation

Principal #2: Rocketship Education Inc., a CA public benefit corporation, Same Address as above (Sole Sponsor of Launchpad entity)

Principal #3: Launchpad Development Company, a CA public benefit corporation (Supporting Corporation of Rocketship), and Sole Member of the to-be-formed LLC, Same Address as above.

Attach a list of all properties in the City of Milwaukee in which buyer or principals have an ownership interest either as an individual or as part of a corporation, partnership or LLC. None at this time. The facility for Rocketship's Southside Community Prep is leased at this time with an Option to Purchase in the 16/17 school year, and will likely be purchased by an LLC formed by and managed by Launchpad Development Company.

PURCHASE PRICE INFORMATION

Proposed Purchase Price: \$120,000.00

Upon review of the appraisal performed recently on the property, we believe an adjustment should have been taken for the removal of asbestos containing building materials and removal or encapsulation of lead based paint. This would be a reasonable conclusion given the age and condition of the building, and when considering the timing of the multiple renovations since the building was new. We believe the removal and appropriate disposition of those materials could be significant, possibly \$100K, and potentially greater than the entire value opined by the appraiser based on the review of our Project Team (See Project Budget below). We have however, reduced our offer, from the full appraised value, by a factor at the low end of the estimated range.

Buyer Contingences: 1. Review and acceptance of marketable title, 2. Review and acceptance of property condition for the intended purpose (including environmental review and remediation as warranted), and 3. Award of a charter to operate a 2nd public charter school.

Note: No brokerage fees are paid on the sale of properties sold under Wis. Stat. § 119.61.

PROJECT DESCRIPTION

Describe how the property will be used. Attach additional information if needed: The property will be used to operate a public charter elementary school, and other ancillary uses related to school operations.

How will the use of the property serve the nearby neighborhood? How will operators connect to the neighborhood? The property will be renovated for an elementary public charter school serving the surrounding neighborhood. Rocketship has already begun its efforts to obtain a charter for school operations, and its officers, staff and board members are meeting with community stakeholders and funders to inform, engage and seek support for the school. This will be the 2nd Rocketship school in Milwaukee, with a high level of support for the first school, Southside Community Prep located at 3003 Cleveland Avenue in Milwaukee. Our Regional Director and supporters are currently meeting with faith based leaders, business leaders, organizational stakeholders and school leaders to learn about the strengths and needs of the community. We will soon begin to door knock in the neighborhood around the proposed school site to meet families and learn about what is important to them in regards to education for their children. We are planning to hold monthly community meetings to review the strong academic results and parental engagement that happens at Rocketship schools and discuss how these families can help build a strong school community. Further, once families enroll in our schools, our leaders and teachers conduct home visits to build strong and trusting relationships.

Number of students to be served (if phased, provide the phasing schedule): Up to 600 in grades K4 through 5. Subject to further analysis and engagement with the community and parents, the enrollment ramp up will likely begin in Year 1 with grades K4 to 2nd grade, growing up to 5th grade over a period of 3 or 4 years. List all State or other City approvals required to use the building for your proposed education program. Charter authorization from the City of Milwaukee, and entitlement / building permitting from the City of Milwaukee.

DEVELOPMENT TEAM (NAME ALL THAT APPLY)

Developer: Launchpad Development Company (affiliated with Rocketship)

Architect: Quorum Architects, Inc.

Contractor: Catalyst Construction

Surveyor: One Source Consulting (Civil / Survey)

Environmental Consultant: Key Engineering Group

Property Manager: Launchpad Development Company

Community Partners: The Urban Ecology Center, First Stage, The Wisconsin Conservatory of Music, The Hunger Task Force, MCFI, the YMCA, The Girls Scouts and Boy Scouts and The Marquette Dental Sealant program.

Other Members: Owner's Rep; Charter School Support Services, Inc.

PROJECT BUDGET & FINANCING STRATEGY

Project costs and the capital structure must be fully defined and will be reported to the Common Council

Purchase price	\$ 120,000.00
Environmental testing/remediation	\$ 300,000.00
Demolition (if applicable)	\$ 175,000.00
Construction/rehabilitation costs (See scope of work)	\$ 2,690,000.00
Site improvements (fencing, landscaping, laterals, etc.)	\$ 540,000.00
Fixtures and equipment (To be paid directly by the school from another source)	\$ 0.00
Soft costs (architectural fees, permits, contingency, etc.)	\$ 675,000.00
Development fee (if applicable)	\$ 0.00
Financing fees	TBD – See Term Sheet
Total project budget	\$4,500,000 Est.

Which member(s) of your development team prepared the project budget? Launchpad Development Company, Charter School Support Services, Catalyst Construction and Quorum Architects.

Project Scope of Work:

- Environmental remediation and abatement work including removal of asbestos containing building materials and removal or encapsulation of lead-based paint
- Demolition of select interior non-load bearing walls
- Installation of new mechanical, electrical, and plumbing infrastructure as needed
- Installation of new fire service per code
- Re-finishing of all interior surfaces and flooring
- Renovations as necessary to meet current ADA requirements
- Installation of parking lot and queuing lane to accommodate school operations
- Upgrade or replace playground equipment and safety / fall zone
- Monument and building signage

Anticipated Financing Strategy/Capital Structure

Expenditure	Amount to be financed	Equity	Grants
Purchase of property	N/A; Cash purchase	N/A	N/A
All other project costs	~\$4,500,000 plus costs of issuance; tax-exempt bonds issued through Public Finance Authority (PFA)	\$0 (100% Long-term Financing)	\$0

Project lender: Public offering of tax-exempt, nonrated bonds through PFA. Launchpad Development Company, and its LLC affiliates, has successfully completed financing for 10 of Rocketship's 16 existing campuses. Financing for those 10 campuses includes; tax exempt bond financing for 8 of the 10 campuses, New Markets Tax Credits and private bank financings. The remaining campuses are subject to long term leases or are occupied subject to use agreements with school districts. Stifel Nicholas (Stifel) has been the Bond Underwriter for Launchpad since 2012, and will be working with Launchpad again in 2016 and 2017 to prepare and complete the proposed transaction with PFA.

Please provide evidence of equity and lender pre-approval/letter of interest if available. Stifel Term Sheet attached.

If the buyer will implement a capital campaign in connection with the purchase and renovation of the property, share details of that campaign, including goals, timetable, gifts to date, and other information. Attach additional information if needed. **No capital campaign**

JOB CREATION

Number of permanent jobs to be located at property upon full occupancy

Full time: **37** Part time: **5**

Titles of jobs to be located at the property: Principal, Assistant Principal, Office Manager, Business Operations Manager, Teachers, Support Staff, Integrated Learning Specialists, Special Education Faculty.

What percentage of employees will receive benefits?

Full time: **100%** Part time: **TBD based on number of hours; 100% where hours are higher than 30 per week.**

ESTIMATED PROJECT SCHEDULE

Activity	Completion date in months from the date of Common Council approval
Final plan/specification preparation	9 Mos. - May 2017 (followed by entitlement period)
Bidding and contracting	13 Mos. - Sept 2017 (subject to successful entitlements)
Firm financing approval	14 Mos. - Oct 2017 (Bond closing for renovation funding, subject to successful entitlements)
Closing of sale	5 Mos. - Jan 2017 (Cash Purchase following due diligence)
Construction/renovation	14 to 21 Mos. - Nov 2017 – May 2018
Landscaping/site work	20 to 21 Mos. - April - May 2018
Occupancy	22 Mos. - June 2018, Campus will open August 2018 (If possible, the school may open in 2017 in temporary space in the community where the property is located, subject to the award of a City of Milwaukee charter to operate the school).

BUYER COVENANTS

Buyer covenants that no member of the Common Council of the City of Milwaukee and the Milwaukee Board of School Directors, nor any of its officers or employees, has any interest in the Buyer or the intended redevelopment of the property, except as follows: **No additional disclosure.**

Is Buyer a City of Milwaukee employee or member of any City board? **No.**

If yes, identify the department, board and/or position: **N/A**

Buyer covenants that it did not collude with any other education operator with respect to the submittal of a Letter of Interest for this Property.

The Milwaukee Code of Ordinances, sect. 304-49-9, requires that buyers of City property be in compliance with buyer policies. Buyer certifies that, as an individual or member of a corporation or partnership, the buyer is not now and will not be at closing in violation of any of the following policies:

- No delinquent taxes due the City of Milwaukee
- No building or health code violations that are not being actively abated
- No convictions for violating an order of the Department of Neighborhood Services or Health Department within the previous year
- No felony convictions for a crime that affects property or neighborhood stability or safety
- No judgment due to the City
- Not subject to a City of Milwaukee tax foreclosure within the previous five years.

Properties are sold on an "as is, where is basis." The City discloses that the land may contain old foundations and debris or other subsoil problems and buildings may contain asbestos materials for which Buyers are solely responsible. ALTA surveys are not provided. Building encroachments in the right of way may require Special Privilege Permits; the Buyer is responsible to obtain such permits.

Buyer is responsible for all environmental remediation and regulatory closure costs, if any. Buyer acknowledges that regulatory closure may require deed notifications and/or registry on a geographic information system.

A Small Business Enterprise (SBE) agreement may be required prior to closing of the sale. This agreement would require that buyer use best efforts to use certified SBEs to provide a goods and services during the construction of the project. Lists of certified SBEs are available on the website of the Office of Small Business Development website (<http://city.milwaukee.gov/OSBD#.VxJeak1f3cs>).

The deed also will contain restrictions requiring timely performance, and a reversionary clause for failure to occupy the building for school use within two years of closing.

BUYER'S COMMENTS

Please provide any additional information that will assist in the evaluation of this proposal:

Rocketship Education is a national non-profit network of public elementary charter schools serving low-income communities with limited access to excellent schools. Founded in 2006, Rocketship Education (www.rsed.org) is a 501(c)(3) nonprofit corporation whose mission is to eliminate the achievement gap by building a scalable and sustainable school model that propels student achievement in underserved communities across the country. The core of Rocketship's instructional model is a teacher-led, technology supported approach to personalized learning that matches each student with the right content at the right time utilizing the right method of instruction. By deeply engaging parents in their student's learning and the school community, Rocketship develops parents who become lifelong advocates for their children and their community. Working alongside parents, community organizations, districts, and other charter schools, Rocketship is catalyzing a movement to eliminate the achievement gap in our lifetime.

BUYER CERTIFICATION & ACKNOWLEDGEMENT

We certify that this statement is true and correct and we understand City policies that apply to the sale.

Rocketship Education Inc.



Laura Kozel
VP, Facilities & Treasury
June 10, 2016

Launchpad Development Company



Andrew Stern
Board Chair
June 10, 2016

Rocketship Education Wisconsin, Inc.

Ralph Weber
Board Chair
June 10, 2016

Return this statement and attachments to:

Rhonda Szallai
Dept. of City Development Real Estate Office
809 N. Broadway (2nd floor)
Milwaukee, WI 53202
Rhonda.szallai@milwaukee.gov
(414) 286-5674

Attachments:

- A Consolidated, Audited Financial Statements as June 30, 2015 (Rocketship and Launchpad)
- B Stifel Term Sheet for Bond Financing
- C IRS Determination Letters for the Principal Entities
- D Rocketship Year in Review YE 2015

BUYER CERTIFICATION & ACKNOWLEDGEMENT

We certify that this statement is true and correct and we understand City policies that apply to the sale.

Rocketship Education Inc.

Launchpad Development Company

Laura Kozel
VP, Facilities & Treasury
June 10, 2016

Andrew Stern
Board Chair
June 10, 2016

Rocketship Education Wisconsin, Inc.



Ralph Weber
Board Chair
June 10, 2016

Return this statement and attachments to:
Rhonda Szallai
Dept. of City Development Real Estate Office
809 N. Broadway (2nd floor)
Milwaukee, WI 53202
Rhonda.szallai@milwaukee.gov
(414) 286-5674

Attachments:

- A Consolidated, Audited Financial Statements as June 30, 2015 (Rocketship and Launchpad)
- B Stifel Term Sheet for Bond Financing
- C IRS Determination Letters for the Principal Entities
- D Rocketship Year in Review YE 2015