

**Due Diligence Checklist**  
**Address: 2770 North 5th Street**  
**Buyer: Gorman & Company**

Commissioner's assessment of the market value of the property	The property is being sold "as is, where is." The purchase price is \$250,000. The developer anticipates the investment of \$9.7 million to convert the building to 48 apartments.
Full description of the project	The vacant former school building will be converted to 48 apartments for senior living. 44 of the 48 units will be affordable to households between 30 percent and 60 percent of Area Median Income. The project will provide construction trades job training for approximately 40 individuals. The Buyer will manage the building upon occupancy. The full description is contained in Common Council File.
Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment	The exterior of the building will remain largely unchanged, in accordance with the requirements of the Federal and State historic tax credit program. The site will include surface parking for residents and a nearby church. The developer will explore the installation of a playground to be used by the grandchildren of residents.
Developer's development project history	Gorman & Company is one of Wisconsin's largest and most successful affordable housing developers. The Buyer has a significant portfolio of projects in Milwaukee neighborhoods, including multiple successful historic adaptive re-use projects. This project will be the second in which the Buyer converts a vacant MPS school building to senior apartments.
Capital structure of the project, including sources, terms and rights for all project funding	Financing for the project will be provided by an allocation of Low Income Housing Tax Credits; Federal and Wisconsin Historic Tax Credits; and by a bank loan. All financing has been secured.
Project cash flows for the lease term for leased property	Not applicable.
List and description of project risk factors	We identify no significant risk factors for this project. Risk in this type of project could arise if the Buyer does not have financing secured, has a poor track record in terms of project completion or fails to engage appropriate property management staff. In this case, the Buyer has a solid record of excellent performance in the development, financing and management of adaptively reused historic buildings for affordable housing in Milwaukee neighborhoods.
Tax consequences of the project for the City	The project will be fully taxable. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for property-tax exemption.