

## Due Diligence Checklist

**Addresses:** 2215 North 4th Street, 2235 North 4th Street, 411 West North Avenue,  
2226-2228 North 5th Street, 2230-2232 North 5th Street and 2234 North 5th Street

The Commissioner's assessment of the market value of the property.

The properties are located at 2215 North 4th Street, 2235 North 4th Street, 411 West North Avenue, 2226-2228 North 5th Street, 2230-2232 North 5th Street and 2234 North 5th Street. The properties make up a contiguous development site bounded by 4<sup>th</sup> Street on the East, 5<sup>th</sup> Street on the West, partially by North Avenue on the north and Garfield Avenue on the south, collectively the "site."

- The property at **2215 North 4<sup>th</sup> Street** is a Former Milwaukee Public Schools Building known as the Garfield Avenue Elementary School ("school"). The building is approximately 52,800 SF and is located on a 64,000 SF lot. The building was designed by H.S. Koch and is designated on the National Historic Register for its Romanesque Revival Design. The school was built in 1887, with an annex addition in the 1960's. The property is currently owned by the City of Milwaukee.
- **2235 North 4<sup>th</sup> Street:** Former America's Black Holocaust Museum ("museum"), an 11,700 SF building situated on an approximately 160' x 100' or 16,000 SF lot. The property was acquired by the Redevelopment Authority of the City of Milwaukee (RACM) in February of 2009. The property was acquired when a mortgage on the property went into default, to preserve culturally and historically significant assets of the museum for which the bank had a security interest.
- **411 West North Avenue:** Former location of Grant's Soul Food Restaurant ("restaurant"), including a 1,605 SF building situated on an approximately 160' x 50' or 8,000 SF lot. The property is on the southwest corner of 4<sup>th</sup> and North Avenue. This property was acquired by RACM in 2008 for the Bronzeville District, with funds from TID No.59.
- **2226-2228 North 5<sup>th</sup> Street:** Vacant lot approximately 160' x 24' or 4,060 SF located in the Halyard Park neighborhood. Previously leased to the Milwaukee Public Schools as recreation space for the Garfield School. The property was acquired by RACM in 1985.
- **2230-2232 North 5<sup>th</sup> Street:** Vacant lot approximately 160' x 26' or 3,940 SF located in the Halyard Park neighborhood. Previously leased to the Milwaukee Public Schools as recreation space for the Garfield School. The property was

	<p>acquired by RACM in 1985.</p> <ul style="list-style-type: none"> <li>• <b>2234 North 5<sup>th</sup> Street:</b> Vacant lot approximately 160' x 25' or 4,100 SF located in the Halyard Park neighborhood. Previously leased to the Milwaukee Public Schools as recreation space for the Garfield School. Property was acquired by RACM in 1984.</li> </ul> <p>The purchase price is \$6.00 for the site, which factors in the overall condition of the buildings on the site and cost of development on the site. The site is located in the 6<sup>th</sup> Aldermanic District, in the 7<sup>th</sup> and Garfield Redevelopment Project area and TID No. 59.</p>
<p>Full description of the development project.</p>	<p>Both entity buyers (the “Buyer”) are partnerships between Maures Development Group, LLC and J. Jeffers &amp; Co., LLC. Buyer entity names are Historic Garfield Campus, LLC and The Griot, LLC. The development will include repurpose of the Garfield Avenue Elementary School into 30 affordable residential units to be known as “The Historic Garfield Apartments” and a new construction mixed-use apartment building, with commercial space to be known as “The Griot.” One of the commercial occupants, who will lease most of the commercial space in The Griot development, is the America’s Black Holocaust Museum. The project will be a historical center and provide a home for the exhibits of the museum that can currently only be viewed online.</p>
<p>Complete site, operations and scope of work for redevelopment.</p>	<p>Please see the Land Disposition Report for details.</p>
<p>Developer’s project history.</p>	<p>The development team is experienced in historic renovation projects and housing development projects. Maures Development projects include Century City Lofts, SoHi Lofts, Lindsay Heights NSP, Heart and Hope Place, Franklin Square and others. J. Jeffers &amp; Co. has renovated some of Milwaukee’s most notable historic buildings, including the Mitchell Building and the Mackie Building, both on East Michigan Street, as well as developed other housing throughout the region.</p> <p>Development team includes Engberg Anderson Architects, Greenfire Management Services, and America’s Black Holocaust Museum.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>Includes private bank loan, WHEDA loan, low-income housing tax credits, historic tax credits, creation of a new tax incremental district and grant funding.</p> <p>Please see TID No. 89 Project Plan for a detail of financing mechanisms.</p>

<p>Project cash flows for the lease term for leased property.</p>	<p>Lease rates subject to low-income housing tax credit guidelines for 30 units at The Historic Garfield Apartments and for restricted units (35 units) at The Griot. Market-rate units (6) and commercial space (expected 2 units) to be leased at rents reflecting market values.</p>
<p>List and description of project risk factors.</p>	<p>The Buyer may need certain City approvals, but DCD staff determined that there is no foreseen risk in selling the Properties to the Buyer. Low-Income Housing Tax Credits (LIHTC) already have been awarded to this project. Staff determined renovating this building is consistent with the redevelopment plan and will add vitality to an underutilized corridor. The project will be catalytic to the area as well as historically and culturally significant.</p>
<p>Tax consequences of the project for the City.</p>	<p>The deed of conveyance will contain a restriction prohibiting the Buyer from applying to the City of Milwaukee for tax-exempt property status, as well as a deed restriction prohibition against reuse by choice, voucher or for-profit schools. This development will place a formerly vacant, tax-exempt school on the tax rolls and formerly vacant properties will feature taxable new construction housing and commercial units.</p> <p>TID No. 89 Project Plan includes the following projections:</p> <p><i>The projected value of the Project upon completion is \$2,958,200 and was derived based on the projected Net Operating Income for the Project. The projected value for Historic Garfield School is \$1,321,146 and the projected value for The Griot is \$1,637,080. The projected value was confirmed with the City Assessor's Office. Historic Garfield School is anticipated to be complete by year end 2017. The Griot is projected to be 90 percent complete by year end 2017, with final completion anticipated the first quarter of 2018.</i></p>