

Due Diligence Checklist  
Address: 2442 North 20<sup>th</sup> Street

<p>The Commissioner's assessment of the market value of the property.</p>	<p>Surplus Milwaukee Public School at 2442 North 20<sup>th</sup> Street ("Property"), with an 84,222 SF building constructed in 1902 on a 3.8-acre site. The Property has been vacant since 2011. The Property is being sold "as is, where is," including all environmental and geotechnical conditions, without any guarantees.</p> <p>The appraised value of the Property, as of October 20, 2017, is \$585,000.</p> <p>The Purchase Price is \$585,000.</p>
<p>Full description of the development project.</p>	<p>The Phillis Wheatley School Redevelopment, as proposed by Royal Capital Group, LLC ("RCG") ("Buyer/Developer"), will feature three residential buildings, inclusive of the school, and two new construction buildings of two stories each. Catering to families, this development will offer 82 apartment homes comprised of (21) two-bedroom units and (61) three-bedroom units, with 115 surface parking stalls. The school building will contain 44 apartments; the remaining 38 apartments will be newly-constructed townhomes. The units will be a mix of market-rate and units affordable to families within incomes between 30 percent and 60 percent of area median income. The Developer intends to create a place for residents committed to a healthy personal lifestyle and building a cohesive community.</p> <p>The Buyer understands that the proposed project may require certain City approvals in addition to the approval of the Land Disposition Report. The closing is contingent upon the Buyer obtaining all necessary approvals and financing.</p>
<p>Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.</p>	<p>See Land Disposition Report.</p>
<p>Developer's development project history.</p>	<p>RCG will partner with Engberg Anderson Architects. Some of RCG's projects in the Milwaukee area include 550 Ultra Lofts, 700 Lofts, Hills Luxury Commons and the Mill Road Library Redevelopment. The Developer has built The Flats@Grandview, an affordable development in Madison, WI.</p>
<p>Capital structure of the project, including sources, terms and rights for all project funding.</p>	<p>The estimated scope of work for the Property is estimated at \$19.8 million. RCG project funding will be a combination of conventional debt, tax credit equity, historic tax credit equity, Developer equity, TIF and AHP.</p>
<p>Project cash flows for the lease term for leased property.</p>	<p>Not applicable.</p>
<p>List and description of project risk factors.</p>	<p>The closing is contingent upon the Buyer obtaining all necessary approvals and financing.</p>
<p>Tax consequences of the project for the City.</p>	<p>RCG anticipates investing \$19.8 million in the project. The Property will be fully taxable. The deed of conveyance will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status.</p>