

LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

March 9, 2010

RESPONSIBLE STAFF

Elaine Miller, Real Estate Manager

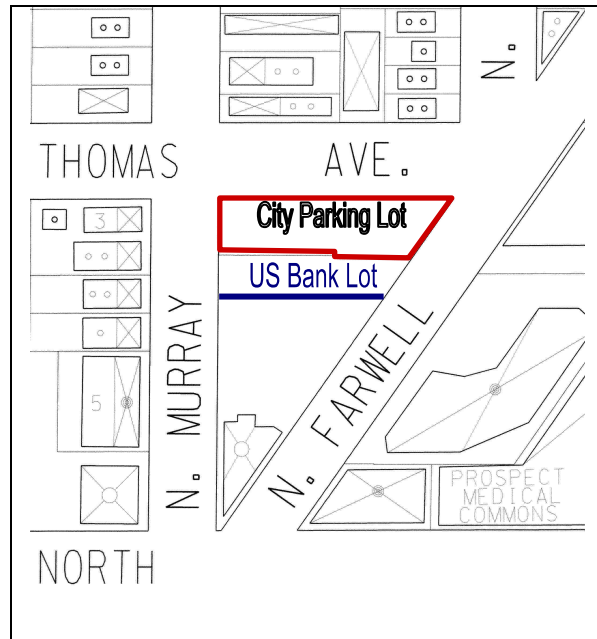
PARCEL ADDRESS & DESCRIPTION

2353 North Farwell Avenue:

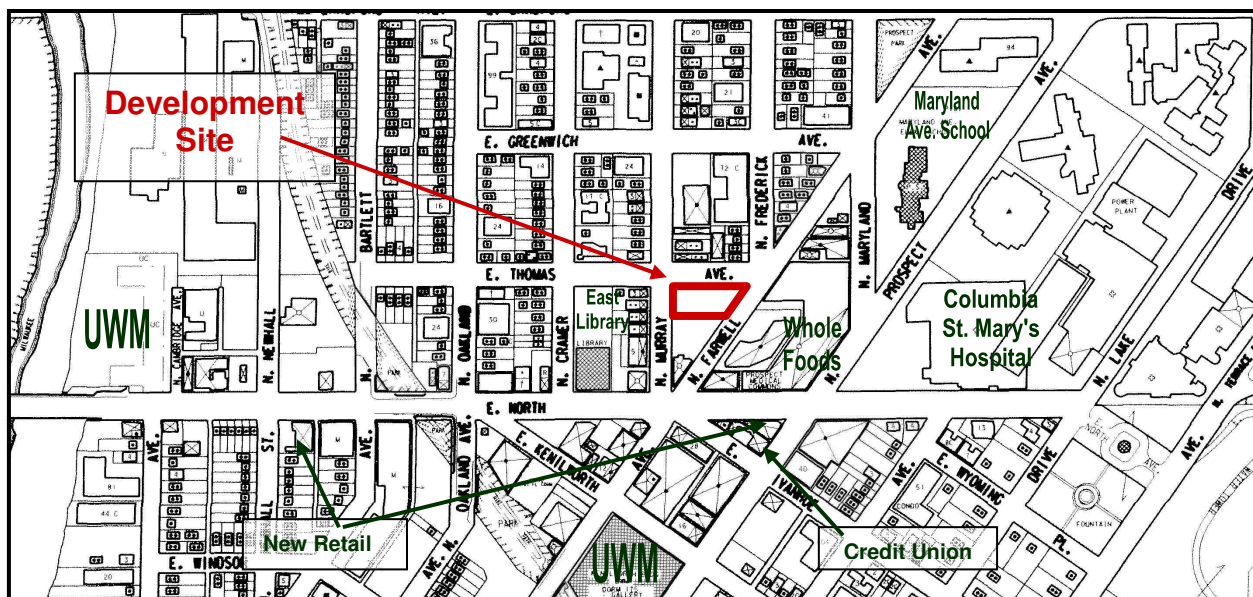
A City parking lot containing approximately 13,394 SF. The lot is slightly irregular with approximately 77 feet along Farwell, 60 feet on Murray and 247 feet on Thomas. The lot has 46 parking spaces of which 10 spaces are leased to US Bank.

The lot will be combined with a portion of the US Bank parking lot to create a development site containing approximately 25,200 SF. Because of the land assemblage, the site was not marketed. Certified survey maps may be required to divided and combine the property.

In July 2000, the Common Council authorized marketing of this parking lot along with a portion of the East Library lot. The action did not require replacement of the public parking. Although a Request for Proposal was published, DCD did not recommend proceeding with sale at that time.



The lot is in the East Side Business Improvement District and was identified for future development in the Northeast Side Area Plan. The North Avenue commercial corridor has seen several recent developments including construction of the new Columbia St. Mary's Hospital, Prospect Medical Commons/Whole Foods, Educators Credit Union, new retail shops and UWM dorms (Kenilworth Building and former Hometown Oil).



BUYER

Mercy Housing Lakefront, Inc., a non-profit corporation that develops affordable and supportive housing. Mercy's efforts were focused in Chicago until 2009 when it began development of Johnston Center Residences, a 92-unit supportive housing effort at the City's former Johnston Health Clinic at 1230 West Grant Street. Mercy's housing facilities often provide on-site supportive services, which include employment training programs, computer literacy classes, adult education, leadership development and children's after-school activities.

Mercy Housing Lakefront is affiliated with the nationwide Mercy Housing and the Daughters of Charity religious order that operates Columbia St. Mary's Hospital and the national Mercy Housing. Overall, Mercy has developed over \$1.9 billion in real estate and has over 15,000 housing units in development or constructed. Cindy Holler is president Mercy Housing Lakefront.

PROJECT DESCRIPTION

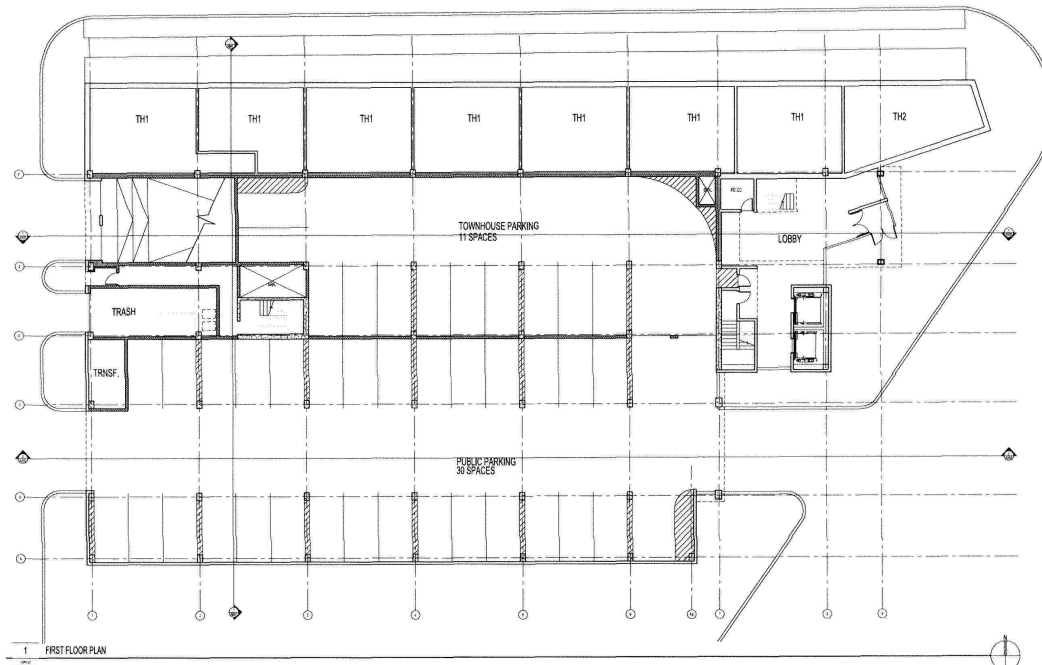
Construction of 83 units of affordable workforce housing. The building will contain 75 apartments, eight townhouses, 85 garage spaces for residents and 30 garage spaces for US Bank and public use. The units will be a mix of one, two and three-bedroom units. Estimated construction costs are approximately \$12.7 million with EBE participation projected to be 25%. The buyer expects to pursue LEED certification.



Conceptual rendering along Thomas



Conceptual rendering looking NW on Farwell



Preliminary Site Plan

The project will be financed in part through federal housing tax credits from the Wisconsin Housing and Economic Development Authority (WHEDA). Tax credit applications are due to WHEDA on March 26, 2010 and the buyer needs to demonstrate site control for its application. Additional funding will be provided through conventional financing.

OPTION TERMS AND CONDITIONS

The purchase price will be \$425,000 or slightly more than \$30/SF and conveyance will be on an "as is" basis. The City has provided the buyer with a Historic Land Use Investigation prepared by City staff and will provide an independent Phase I Environmental Site Assessment upon request. A \$4,500 Option Fee will be required upon Common Council approval and will be credited toward the purchase price if the sale closes on or before December 31, 2010. Sale proceeds, less sale expenses and a 30% fee to the Redevelopment Authority, will be deposited in the Parking Fund.

The total option period is two years so as to allow multiple applications for WHEDA tax credits. The initial term will extend until December 31, 2010. The Commissioner of DCD may extend the option for up to three six-month periods based upon buyer submission of a \$500 non-refundable renewal fee and satisfactory progress report on buyer's efforts to obtain financing and final building plans. If the buyer fails to make any required submissions to WHEDA, the option may be cancelled immediately by the Commissioner.

City closing contingencies include DCD approval of final construction plans, evidence of firm financing, purchase of part of the US Bank lot as evidenced by a recorded deed, negotiation and execution of a Purchase and Sale Agreement that may contain reversion of title provisions for non performance and submission of a \$10,000 performance deposit to be held until satisfactory completion of the project. The final building plans must be consistent with preliminary plans the buyer submitted to obtain the Option to Purchase and conform to Detailed Planned Development zoning.