

**LAND DISPOSITION REPORT
REDEVELOPMENT AUTHORITY
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

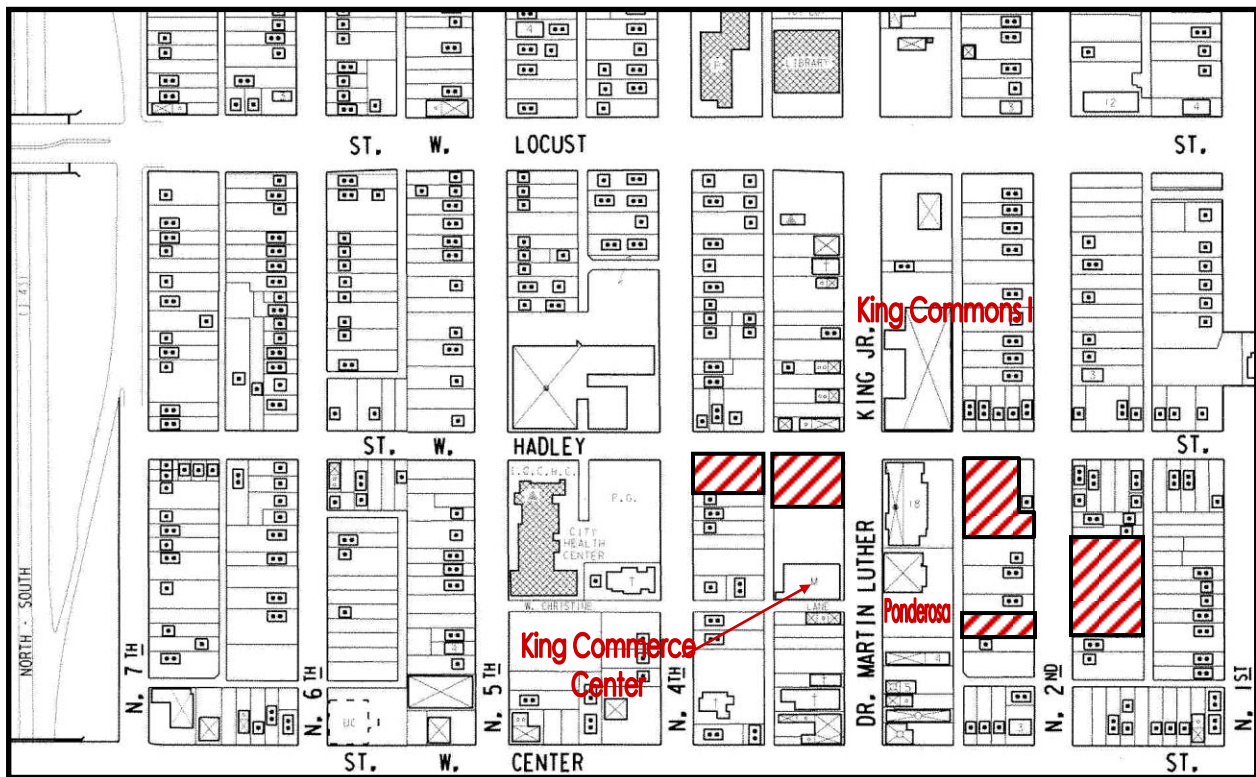
DATE
November 16, 2006

RESPONSIBLE STAFF
Elaine Miller, Real Estate Section (286-5732)

REDEVELOPMENT PROJECT AREA

West Hadley Street - North 3rd Street: A redevelopment district created in 1979 to promote retail and commercial-service development on North 3rd Street, now King Drive, between Meinecke and Locust Streets. Recent developments include King Commons Phase I at 2774 North King Drive, the Ponderosa Restaurant at 2730 North King Drive and the Ameritech King Commerce Center at 2745 King Drive.

Blight Elimination: The surrounding vacant lots in the King Commons target area – Center to Locust, 1st to 7th Street – were previously declared blighted and authorized for acquisition as part of the initial approval of the King Commons Initiative in 2002.



REDEVELOPER & DEVELOPMENT TEAM

Martin Luther King Economic Development Corporation: A non-profit development corporation created in 1993 to partner with individuals and organizations and engage in entrepreneurial initiatives that create wealth and jobs in the King Drive and Harambee neighborhoods. Welford Sanders is Executive Director. MLK EDC has created a limited liability company, King Drive Commons II, LLC, to acquire and develop the second phase of the project. MLK EDC is also working with the Harambee Ombudsman Project on the initiative.

Brian Miller with Miller Architectural Group is the project architect. Mr. Miller also designed the Phase I building. Development consultant is Robert Lemke, AIA, with Envision Consulting.

PARCEL ADDRESS & PROJECT DESCRIPTION

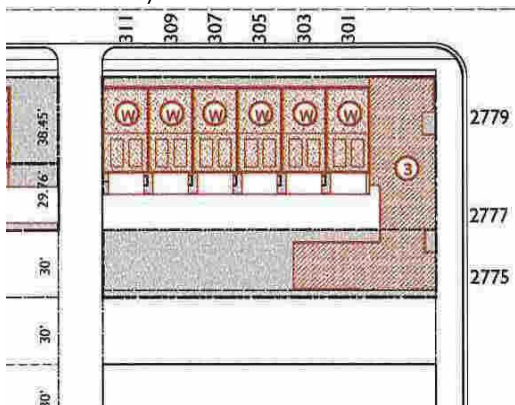
A mixed-use building at King Drive and Hadley will anchor Phase II. This project also will include scattered site rowhouses along Hadley between 2nd and 4th Streets and rowhouse and single-family rental units along 2nd Street. The residential component provides 24 affordable housing units that will be financed with federal housing tax credits administered by the Wisconsin Housing and Economic Development Administration (WHEDA). The Redeveloper received a tax-credit allocation for 17 units in April 2006 and expects to receive an additional allocation for the remaining units in early January.

Total project costs are approximately \$5.2 million. The project will include a mandatory EBE requirement as part of the Authority's land sale and WHEDA's tax credit use. Construction on the primary site will commence within 30 days of closing. Scattered site development will follow after substantial progress is made on the primary building.

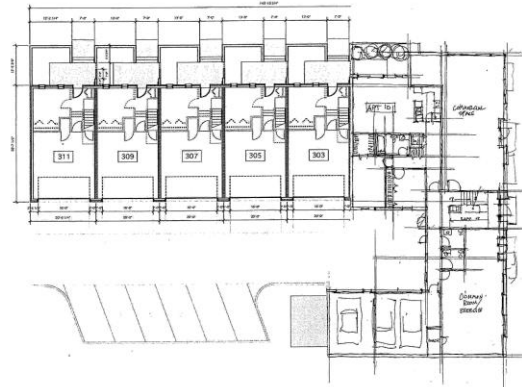
Primary Development Site

2767-79 North Martin Luther King Jr. Drive:

14,282-square foot vacant lot with approximately 95 feet of frontage along King Drive and 150 feet on West Hadley.



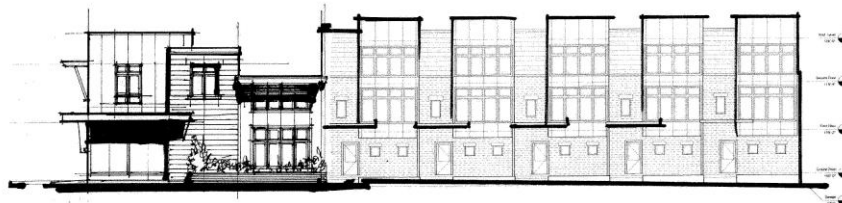
Proposed Site Plan
King Drive Façade



Ground Floor Plan



Hadley Street Façade

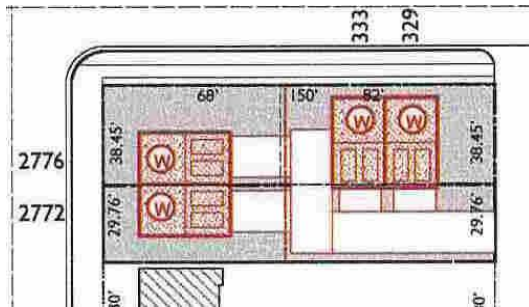


The main building will have a two-story presence on King Drive with a limited amount of ground floor retail space and two apartments on the upper level. The building is designed to complement, but not replicate the Phase I building immediately across King Drive. The building also includes six rowhouse rental units along West Hadley Street – a single-story, two bedroom unit and five three-story, three bedroom units. Parking is provided through a central area and is accessed from the alley. The rowhouses have enclosed parking spaces at the rear of each unit. The flat units are provided enclosed parking in the main building. Additional surface spaces – hidden from the street – are provided for guests and the commercial tenants.

Scattered Sites: Five clusters of scattered units.

2772-78 North 4th Street and 329-33 West Hadley:

Three lots containing 10,232 SF and situated immediately west of the primary building. The units will have a shared drive from the alley.



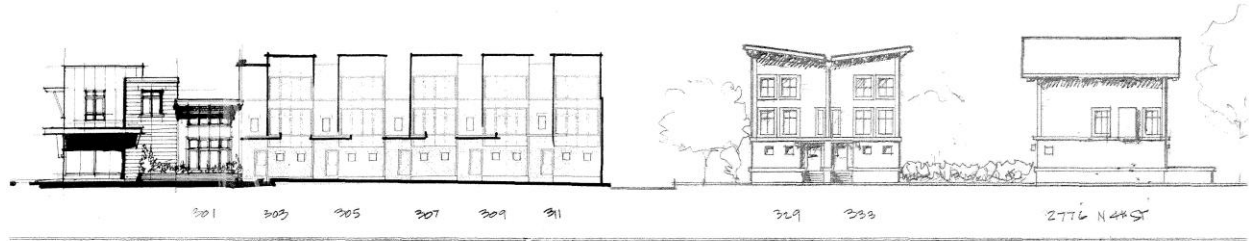
Proposed Site Plan



Building Facing Hadley



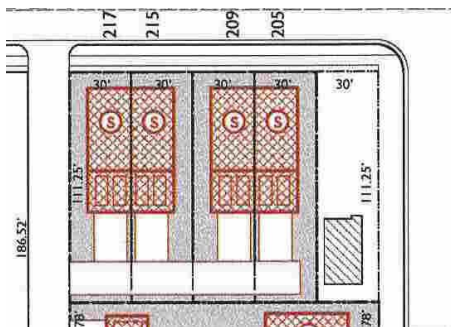
Building Facing 4th



Composite elevation along Hadley with primary Phase II building on left

205-17 West Hadley Street:

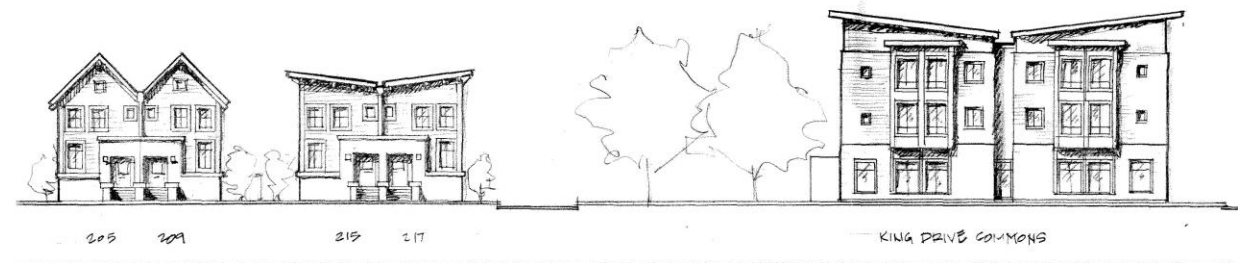
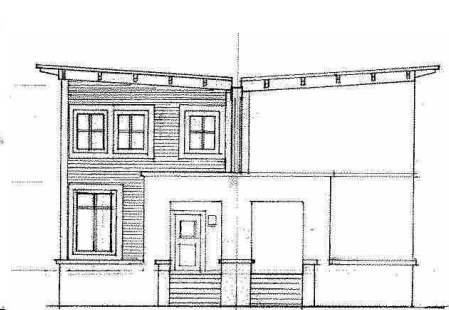
Four lots containing 13,350 SF. Two different style side-by-side duplexes.



Site Plan



Proposed elevations



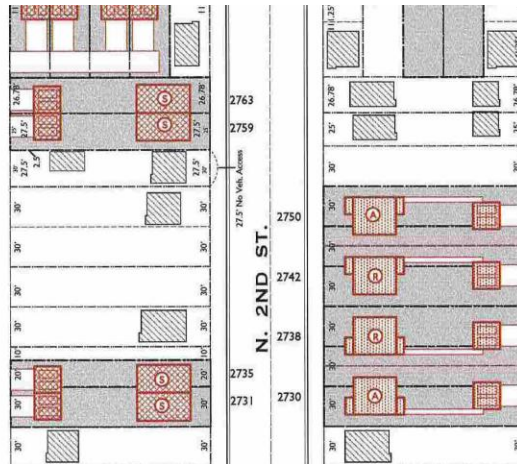
Composite elevation along Hadley with Phase I building to right

2731-35 North 2nd Street & 2459-63 North 2nd Street: Lots contain 7,500 SF and 8,142 SF, respectively, will be developed with side-by-side duplexes.

2730-56 North 2nd Street: Seven lots containing 31,500 SF, will be assembled to create four building lots for four single-family rental units.



Duplex Design
West Side of 2nd Street



Single-Family Design
East Side of 2nd Street

OPTION TERMS AND CONDITIONS

The purchase price will be \$10,000 to cover the Authority's administrative expenses. A \$500, non-refundable Option Renewal Fee is required and shall not be credited toward the purchase price. An Agreement for Sale will be prepared prior to closing to establish the construction schedule for the various phases. In addition, if WHEDA fails to allocate additional housing credits, the Authority may elect to take title back to the lots on 2nd Street that are to be built with the additional credits. The \$1,000 performance deposit that was submitted for Phase I shall be transferred to this project since this phase has been satisfactory completed.

A six-month option period is authorized, although the Redeveloper expects to close in mid-December since WHEDA has approved construction and final financing. If additional time is required, the Executive Director may extend the Option for an additional three months.

This action also grants Redeveloper a six-month option to acquire additional lots in the target area for development of single-family homes that will be sold for homeownership. Redeveloper shall be required to submit a proposal for such development on or before June 12, 2007. If the homeownership initiative is feasible, the Executive Director may authorize a six-month option extension to produce building designs, start construction and market the units for homeownership.

PAST ACTIONS

King Commons was originally approved by the Redevelopment Authority and the Common Council in 2002. The property at 2767-79 North King Drive was added to the project in 2003. Phase I was constructed in 2004. A public hearing confirming Phase II property sales was held on November 16, 2006, after which the Authority conditionally reauthorized the Option to Purchase.

FUTURE ACTIONS

Upon Redeveloper obtaining firm financing and approval of final plans, the Redevelopment Authority will enter into an Agreement for Sale and proceed to close in accordance with the terms and conditions expressed herein and contained in the resolution adopted by the Authority. The sale proceeds, less sale expenses and a 25% fee paid to the Redevelopment Authority, shall be returned to the tax increment district.