

AMENDED LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

October 25, 2022

RESPONSIBLE STAFF

Rhonda Szallai, Real Estate Specialist, Department of City Development (“DCD”)

PARCEL ADDRESS & DESCRIPTION

4116 West Silver Spring Drive (the “Property”): The Property was formerly Milwaukee Public Schools Carleton School built in 1927 an approximately 53,000 square foot building on a 3.5-acre parcel. Additions were built in 1927, 1932, 1936, 1940 and 1970. The property has been vacant since 2005 and was declared surplus in 2012.



BUYER

AndersonWebb, LLC and Wisconsin Redevelopment, LLC (jointly referred to as "Buyer") or its newly created entity or assignee.

The Carleton Court project at the former Carleton School will be the second development project by the development team of AndersonWebb and Wisconsin Redevelopment, LLC ("WR"). Their first project was the Mitchell Street Lofts at 1948 West Mitchell Street in Milwaukee. **Amended project name: Historic Patterson Place.**

WR has completed or been involved in the following partial listing of projects in the Milwaukee area that include:

- Johnson Park Lofts – 1862 West Fond du Lac Avenue
- Silver City Townhomes – 3503-09 West Pierce Street and 703-749 South 35th Street
- Welford Sanders Lofts – 2812 North 5th Street
- Enterprise Center – 2821 North 4th Street and 411 West Hadley Street
- Historic Holton Street Lofts – 2443 North Holton Street
- LBWN Lease-to-Own homes – South side scattered sites
- King Drive commons 1, 2, 3

PROJECT DESCRIPTION

Original Project Description: Carleton Court Redevelopment as proposed by Buyer will feature a number of different living arrangements. Carleton Court will be housed in the historic Carleton School building, which will be redeveloped and redesigned into 30 units of housing with a limited number of supportive housing units. Immediately to the north of the main school building, 30 new townhomes will be constructed. These townhomes will be mixed-income, rent-to-own, townhouse-style units. The townhomes will be 3-bedroom and 4-bedroom units with private entrances and access to covered and uncovered parking. Each apartment unit in Carleton Court will have at least one off-street covered parking spot tucked neatly in between the east and west side townhomes, so as to not be visible from the street. Additionally, in phase 2 of the development, 2 single-family homes will be built on the furthest north end of the property. These homes will also have access to private garages.

Amended Project Description: After researching the history of the area, the name of the development will be Historic Patterson Place. Neighborhood input resulted in the Buyer incorporating changes to the site plan and the number of units. The total number of units has been reduced from 60 to 48 units. The main school building will have 30 apartment units and 18 new rent-to-own townhomes that will be constructed on the site. Each townhome will have one garage parking space plus one surface spot behind each townhome. The number of surface parking spaces will be about 59; 41 in a group lot plus one behind each townhome.

On-site amenities will include a fitness facility, outdoor play area, community meeting space and garden plots.

The Property is currently zoned RS6 and will need to be rezoned to accommodate this development project. The Buyer understands that the proposed project may require certain City approvals in addition to the approval of the Land Disposition Report. Closing of the sale is contingent upon the Buyer obtaining all necessary approvals, financing and DCD approving the final building elevations and landscaping plan.

The estimated project cost for the purchase and renovation is \$13,000,000. **Amended Project Cost: \$18,000,000.**

Project funding will be a combination of conventional debt, tax credit equity, historic tax credit equity, Developer equity and Tax Incremental Financing. **Amended to add: other gap funding sources.**

PURCHASE TERMS AND CONDITIONS

The purchase price will be \$220,000.00 based on the appraised value as of March 23, 2016. The conveyance will be on an "as is, where is" basis including all environmental and geotechnical conditions, if any.

Original Terms and Conditions: The buyer shall have until May 31, 2020 for a Due Diligence assessment of

the Property. Buyer must receive local and state approvals associated with the proposed use by July 30, 2020.

Amended Terms and Conditions: The Buyer shall have until May 31, 2023, for a Due Diligence assessment of the Property. Buyer must receive local and state approvals associated with the proposed use by July 30, 2023.

Closing of the purchase is contingent on the Buyer:

- Obtaining full financing for the project. The “sources and uses” statement contemplates these potential sources of financing:
 - Obtaining an allocation of Low Income Housing Tax Credits (“LIHTC”) from the Wisconsin Housing and Economic Development Authority (“WHEDA”). Buyer must submit a LIHTC application to WHEDA by December 14, 2019. Amended to: January 2023.
 - Obtaining allocations of State and Federal Historic Tax Credits.
 - Obtaining additional gap funding. The proposal indicates the Developer’s intent to apply for Tax Increment Financing.

Buyer is required to enter into a Purchase and Sale Agreement (“PASA”) that outlines the Buyer’s obligations by July 1, 2020. Amended PASA date: August 31, 2023. Closing on the purchase of the building is required by January 1, 2021. Amended Closing date: December 30, 2023. A year-long construction period is anticipated.

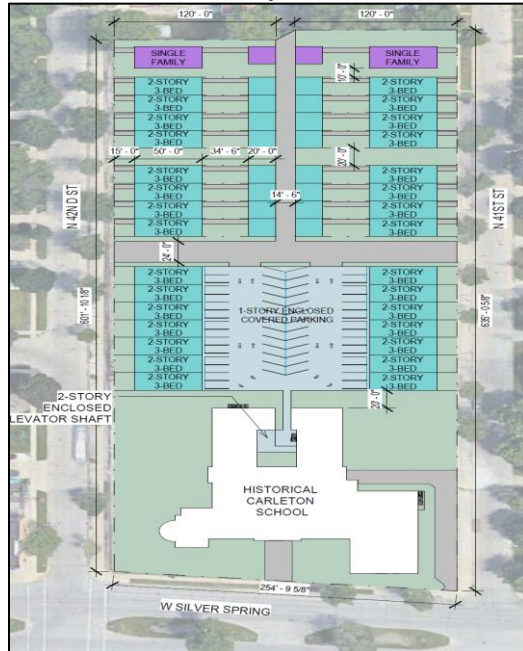
The PASA will require that the Buyer must:

- Provide a performance deposit of \$10,000 to be returned upon completion of the project and issuance of a Certificate of Occupancy.
- Enter into an agreement requiring best efforts to utilize City-certified Small Business Enterprises and individuals certified through the City’s Residents Preference Program for construction activity.
- Receive a building permit.
- Present evidence of full project financing prior to closing on the sale.
- Close on the purchase by January 1, 2021 (Amended Closing date: December 30, 2023) with the option of extending the closing date for one year should the Buyer need to re-apply for LIHTC in the 2020 (Amended LIHTC date: 2024) allocation round. Any additional extensions will be granted based on current economic conditions and a review of the Progress Report.

At closing sales proceeds, less sales expenses, shall be deposited in the Milwaukee Public Schools Operations Fund.

The deed of conveyance will contain restrictive covenants for performance, prohibitions for tax exemption and certain uses, conditions under which a liquor license may be issued, and reversion of title provision for non-compliance.

Preliminary Site Plan



Amended Preliminary Site Plan

Historic Carleton Place Site Plan Modifications

A number of modifications to the site plan are to be made based on city of Milwaukee comments together with community neighborhood input and suggestions.

1. Less parking with enhanced landscaping. Parking lot reduced for 41 cars.
2. One entry into the site for all vehicle parking from **Reichert Street** which will minimize neighborhood disruption with multiple curb cuts.
3. Enhanced landscaping throughout based on neighbor input.
4. Onsite bicycle parking will be provided for 20-25 bikes.
5. A Storm Water Management Plan will be provided.
6. A Green Infrastructure Plan will be incorporated into development.
7. Garbage and recycling locations in back of the house areas.
8. Garden areas will be provided for residents.
9. Playground area will be provided for residents.
10. Every townhome will have one interior parking spot.
11. A total of 48 total residential units, of which 18 are rent-to-own townhomes with designs in keeping with the neighboring architecture.



SITE PLAN Option 2
SCALE: 1/4" = 1'-0"

PARKING COUNT 41

★ ACCESSIBLE BY ELEVATOR

	1 BED	2 BED	TOTAL
LEVEL 01	2	7	9
LEVEL 02	4	7	11
LEVEL 03	2	8	10
TOTAL	8	22	30

TH	TOTAL
18	18

continuum

CARLETON SCHOOL
1.7.2024 10:00 AM

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Preliminary Townhouse Rendering



OPTION 2 - FRONT ELEVATION
(1/8" = 1' - 0")