

LRB – RESEARCH AND ANALYSIS SECTION ANALYSIS
NOVEMBER 28, 2006 AGENDA **ITEM 8, FILE 061026**
ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE **Emma J. Stamps**

File No. 061026 is a resolution approving the blight designation and acquisition of the city-owned vacant lots at 1408-1420 West Center Street by the Redevelopment Authority and approving the Land Disposition Report for these properties and the Redevelopment Authority owned properties in the 2700 block of North Teutonia Avenue for sale to GFG Real Estate and Horizon Development Group for mixed-use development, in the 15th Aldermanic District.

Background and Discussion

1. GFG Real Estate and Horizon Development Group has offered to purchase RACM-owned properties in the 2700 block of N. Teutonia Avenue and 3 City-owned vacant lots in the 1400 block of W. Center Street for development of the Handsome Plaza Retail Center and Teutonia Gardens apartment homes.
2. The developer proposes to redevelop the blighted area generally bounded by N. 15th, N. Teutonia, W. Center and W. Hadley Streets, including properties located at:

Phase I	Phase II
<i>Properties:</i> 2723 N. Teutonia Ave. 2725-27 N. Teutonia Ave. 1445-R W. Hadley St. (partial) 1408 W. Center St. 1414 W. Center St. 1418-20 W. Center St. Handsome Barber Shop site	<i>Properties:</i> 2745-49 N. Teutonia Ave. 2761 N. Teutonia Ave. 2777 N. Teutonia Ave. 1445-R W. Hadley St. (partial)
<i>Area:</i> 53,517 SF or 1.22 acre	<i>Area:</i> 67,866 SF
<i>Project Cost:</i> \$4 million (includes tax credits)	<i>Project Cost:</i> \$3.9 million
<i>Closing</i>	
<i>Deadline:</i> December 31, 2007	<i>Deadline:</i> December 31, 2009
<i>Development:</i> 3-story, mixed-use building (the Handsome Retail Plaza and Teutonia Gardens), including 24 apartments on upper floors (80% will be affordable units for those with 60% of median income and 20% will be market rate units)	3-story, mixed-use building including 1 st floor commercial space and 24 affordable residential units. The developer will also help efforts to renovate adjacent structures and provide infill construction. Building plans are being refined.

5. Conventional financing should fund costs not covered by the WHEDA tax credits.
6. File 060579 declares 3 vacant lots located at 1408, 1414, and 1418-1420 W. Center St. blighted, approves the RACM acquisition thereof and also approves the Land Disposition Report dated 11/16/2006 allowing RACM to accept the GFG Real Estate and Horizon Development Group's \$154,800 option to purchase the aforementioned parcels to for assemblage with adjacent properties to construct a \$7,900,000 mixed use development.

Fiscal Impact

The sales proceeds, estimated at \$20,000 (\$10,000 per phase) less the 25% RACM administrative fee, will be deposited to the Reserve for Tax Deficit Fund.