

**LAND DISPOSITION REPORT
to the Redevelopment Authority
AND THE COMMON COUNCIL OF THE CITY OF MILWAUKEE**

RESPONSIBLE STAFF

James Sayers, Development Manager

DATE

December 15, 2005

REDEVELOPMENT PROJECT AREA

The boundary for the "20th / Lloyd Redevelopment Area" was approved by the Redevelopment Authority on November 15, 2005 and by the Common Council on December 13, 2005. The Plan will be considered for adoption at the January 2006 RACM meeting. A portion of the proposed Plan area is in the Park West Area "E" project area, which was adopted in 2001 to permit developing a "Super K" department store. The developers of the Super K department store are no longer interested in developing the site and the Area "E" Plan will be retired in conjunction with adopting the 20th / Lloyd Plan.

TAX INCREMENTAL DISTRICT (TID)

The redevelopment will be located within a proposed Tax Incremental District No. 63 ("the TID"). The TID will provide funds for public improvements, land acquisition, and grant / loan funds to existing property owners, associated with the project, and is concurrently being considered.

REDEVELOPER

Legacy Redevelopment Corporation, a not-for-profit community development corporation, assembled a development team that includes Irgens Development Partners and Williams Development Corporation ("the Partners"). The principals of the three companies are as follows: Legacy Redevelopment Corp: Sally Peltz; Irgens Development Partners: Mark Irgens; and Williams Development: Bill Orenstein. The three Partners will form a not-for-profit development corporation that will develop the site.

PARCEL ADDRESSES & DESCRIPTION

The City of Milwaukee owns several parcels in the development area. The parcels are currently vacant land. Neighborhood Improvement Development Corporation (NIDC) owns 2058 North 22nd Street and intends to sell the parcel to the Redevelopment Authority. The Housing Authority of the City of Milwaukee (HACM) owns 2231-35 West Lloyd Street and intends to sell the parcels to the City of Milwaukee. The addresses of the City, NIDC, and HACM parcels are listed as Exhibit One to this Land Disposition Report. The Redevelopment Plan will authorize acquisition of all lots, subject to approval of this Land Disposition Report.

PROJECT DESCRIPTION

The proposed Development will construct up to 75 single-family homes. The homes will be at least 1600 square feet with 3 to 4 bedrooms, 2 to 3 baths, and private 2-car garages. All homes will be sold to owner-occupants, with up to 10 being reserved for low-moderate income households. The expected purchase price of the homes is \$175,000. The developer will purchase the land and perform according to the terms and conditions of a Development Agreement, including work associated with land division, storm water management, marketing (to include building two models), and building the homes. The total estimated construction costs including public improvements is \$13.5 to \$16.5 million.

DEVELOPMENT AGREEMENT TERMS AND CONDITIONS

The sale price is \$2,000, per building lot. The price recognizes the duties and restrictions imposed on the Redeveloper.

Rather than the standard Option, the developer shall execute the Development Agreement. A term sheet of the Development Agreement is herewith presented to the Authority as Exhibit Two to this Land Disposition Report. The Executive Director is authorized to complete negotiations with the Redeveloper and the proper officials are authorized to execute the final agreement upon recommendation by the City Attorney. Any significant modifications will be presented to the Authority for approval. A \$10,000 performance deposit is required and shall be held until satisfactory completion of the project.

Closing shall occur after Common Council approves this Land Disposition Report, the Redevelopment Plan, and after the Developer submits acceptable final plans, specifications, and proof of financing. Closing must occur within 15 days of final TID approval. The sale price is \$2,000 per unit. RACM will deduct a 25% development fee from the gross sale proceeds. There is no brokerage fee.

PAST ACTIONS

The Redevelopment Authority held a public hearing on the proposed sale on December 15, 2005, after which it conditionally accepted the Development Agreement with the named Redeveloper.

FUTURE ACTIONS

Upon approval of this Report by your Honorable Body, and receipt of requisite approvals by regulatory bodies, the Redevelopment Authority will enter into said Redevelopment Agreement and proceed to close in accordance with the terms and conditions expressed herein and contained in the form of contract and resolution referred to above.

Exhibit One

TAXKEY	HSE_NBR_LO	HSE_NBR_HI	HSE_NBR_SFX	ST_DIR	ST_NAME	ST_TYPE	OWNER_NAME_1
3500003000	2225	2227		W	LLOYD	ST	CITY OF MILW
3500004000	2219	2223		W	LLOYD	ST	CITY OF MILW
3500505100	2119	2121		W	LLOYD	ST	CITY OF MILW
3500519000	2115	2115		W	LLOYD	ST	CITY OF MILW
3500520000	2113	2113		W	LLOYD	ST	CITY OF MILW
3500521000	2107	2109		W	LLOYD	ST	CITY OF MILW
3500522000	2101	2105		W	LLOYD	ST	CITY OF MILW
3500804000	2029	2031		W	FOND DU LAC	AV	CITY OF MILW
3500809000	2001	2001		W	FOND DU LAC	AV	CITY OF MILW
3500821000	2216	2216		N	21ST	ST	CITY OF MILW
3500876110	2124	2124		W	LLOYD	ST	CITY OF MILW
3500962100	2127	2129		N	22ND	ST	CITY OF MILW
3500965000	2113	2113		N	22ND	ST	CITY OF MILW
3500972000	2224	2226		W	LLOYD	ST	CITY OF MILW
3500973000	2232	2234		W	LLOYD	ST	CITY OF MILW
3500978000	2130	2130		N	23RD	ST	CITY OF MILW
3502139000	2331	2333		W	GARFIELD	AV	CITY OF MILW
3502141000	2325	2325		W	GARFIELD	AV	CITY OF MILW
3502142000	2321	2323		W	GARFIELD	AV	CITY OF MILW
3502148100	2145	2145		N	23RD	ST	CITY OF MILW
3502150100	2135	2137		N	23RD	ST	CITY OF MILW
3502151100	2131	2133		N	23RD	ST	CITY OF MILW
3502704110	2030	2030		N	21ST	LA	CITY OF MILW
3502712000	2126	2126		W	BROWN	ST	CITY OF MILW
3502713000	2021	2023		N	21ST	LA	CITY OF MILW
3502804110	2029	2029		N	21ST	ST	CITY OF MILW
3503007110	2039	2039		N	22ND	ST	CITY OF MILW
3503011100	2212	2212		W	BROWN	ST	CITY OF MILW
3500001000	2235	2235		W	LLOYD	ST	CITY OF MILW HOUSING A
3500002000	2231	2231		W	LLOYD	ST	CITY OF MILW HOUSING A
3500020110	2009	2013		N	22ND	ST	CITY OF MILWAUKEE
3500020120	2204	2206		W	BROWN	ST	CITY OF MILWAUKEE
3500504110	2123	2123R		W	LLOYD	ST	CITY OF MILWAUKEE
3500507000	2054	2056		N	22ND	ST	CITY OF MILWAUKEE
3500518100	2127	2127R		W	LLOYD	ST	CITY OF MILWAUKEE
3500523000	2049	2049		N	21ST	ST	CITY OF MILWAUKEE
3500603000	2027	2027A		N	22ND	ST	CITY OF MILWAUKEE
3500801000	2041	2043		W	FOND DU LAC	AV	CITY OF MILWAUKEE
3500806100	2019	2019		W	FOND DU LAC	AV	CITY OF MILWAUKEE
3500813100	2008	2008		W	GARFIELD	AV	CITY OF MILWAUKEE
3500814100	2200	2200		N	21ST	ST	CITY OF MILWAUKEE
3500820000	2214	2214		N	21ST	ST	CITY OF MILWAUKEE
3500871200	2104	2104		W	LLOYD	ST	CITY OF MILWAUKEE
3500872100	2108	2108		W	LLOYD	ST	CITY OF MILWAUKEE
3500873100	2114	2114		W	LLOYD	ST	CITY OF MILWAUKEE
3500874000	2116	2116		W	LLOYD	ST	CITY OF MILWAUKEE

TAXKEY	HSE_NBR_LO	HSE_NBR_HI	HSE_NBR_SFX	ST_DIR	ST_NAME	ST_TYPE	OWNER_NAME_1
3500875000	2120	2120		W	LLOYD	ST	CITY OF MILWAUKEE
3500887000	2121	2123		W	NORTH	AV	CITY OF MILWAUKEE
3500892110	2239	2239		N	21ST	ST	CITY OF MILWAUKEE
3500898100	2102	2102		W	GARFIELD	AV	CITY OF MILWAUKEE
3500914100	2235	2235		W	NORTH	AV	CITY OF MILWAUKEE
3500963000	2123	2123		N	22ND	ST	CITY OF MILWAUKEE
3500964000	2119	2121		N	22ND	ST	CITY OF MILWAUKEE
3500966000	2202	2202		W	LLOYD	ST	CITY OF MILWAUKEE
3500970000	2218	2218		W	LLOYD	ST	CITY OF MILWAUKEE
3500971000	2222	2222		W	LLOYD	ST	CITY OF MILWAUKEE
3502140000	2329	2329		W	GARFIELD	AV	CITY OF MILWAUKEE
3502143000	2317	2319		W	GARFIELD	AV	CITY OF MILWAUKEE
3502144100	2313	2313		W	GARFIELD	AV	CITY OF MILWAUKEE
3502145000	2309	2309		W	GARFIELD	AV	CITY OF MILWAUKEE
3502146000	2305	2305		W	GARFIELD	AV	CITY OF MILWAUKEE
3502147000	2301	2301		W	GARFIELD	AV	CITY OF MILWAUKEE
3502801000	2043	2043		N	21ST	ST	CITY OF MILWAUKEE
3503004000	2213	2213		W	LLOYD	ST	CITY OF MILWAUKEE
3503007120	2041	2041		N	22ND	ST	CITY OF MILWAUKEE
3503825000	2019	2019		N	23RD	ST	CITY OF MILWAUKEE
3503826000	2023	2023		N	23RD	ST	CITY OF MILWAUKEE
3503831000	2018	2018		N	24TH	ST	CITY OF MILWAUKEE
3503832000	2020	2020		N	24TH	ST	CITY OF MILWAUKEE
3503841000	2312	2312		W	BROWN	ST	CITY OF MILWAUKEE
3503842000	2302	2302		W	BROWN	ST	CITY OF MILWAUKEE
3503843000	2318	2318		W	BROWN	ST	CITY OF MILWAUKEE
3503845000	2332	2332		W	BROWN	ST	CITY OF MILWAUKEE
3503846000	2328	2328		W	BROWN	ST	CITY OF MILWAUKEE
3503847000	2322	2322		W	BROWN	ST	CITY OF MILWAUKEE
3503848000	2320	2320		W	BROWN	ST	CITY OF MILWAUKEE
3500506100	2058	2060		N	22ND	ST	NEIGHBORHOOD IMPROV

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Exhibit Two
Summary of Terms
TID #63 “20th-Brown”

- Project:** The plan for the 20th and Brown Tax Incremental District (located in the proposed 20th-Lloyd Redevelopment Area) includes the construction of a residential development of up to 75 single-family detached homes. (The TID feasibility study uses a conservative estimate of 60 homes.) The TID will be located in an area bounded approximately by West North Avenue on the north, North 17th Street on the east, West Brown Street on the south, and North 24th Street on the west. Associated work includes public improvements (sewer, water, street lighting, street trees, curb, and gutter) and a contribution toward green space improvements to Johnsons Park. Also planned is rehabilitation grants or loans to existing property owners in the District. Finally, if opportunities present themselves, there may be purchase of some privately owned properties.
- Project Budget:** The total development cost is approximately \$13.5 million.
- Developer:** Legacy Redevelopment Corporation, Irgens Development Partners, LLC, and Williams Development Corporation will form a not-for-profit corporation to develop the site.
- City Contribution:** The City will pay for public improvements associated with the project including limited green space enhancements to Johnsons Park. Also contemplated is a potential to purchase some privately owned properties and rehabilitation grants or loans to existing property owners in the District.
- Disbursements:** The Department of City Development will make TID funds available based on the developer’s performance. 25% will be released after 15 units are completed, 25% after 30 units are done, 25% after 45 units are done, and the last 25% after completion of 60 units.
- All bids and payments for public improvements shall occur only after approval by the Department of City Development and the Department of Public Works DPW). The Department of City Development will approve any other use and disbursement of TID funds consistent with the approved plan.
- Maximum Term of the TIF District:** The maximum term of the TID is January, 2033. The expected date of full amortization of debt is in 2027.
- Developer Responsibilities:**
- Design and develop up to 75, but not less than 60 single-family homes.
 - Purchase the land as-is. Developer is responsible for all site development costs such as but not limited to storm water management, extension of sewer and water laterals, land division, environmental remediation.
 - Establish design guidelines for the homes.
 - Build two model homes.
 - Market the sites and the development.
 - Build all homes to customers’ specifications.
 - Meet the City’s Emerging Business Enterprise goals.
 - Perform neighborhood outreach.
 - Work with Legacy Bank to finance home improvement loans and mortgage products.

**Developer's
Performance
Milestones:**

- Execute the Development Agreement within 15 days of final TID approval (Joint Review Board.)
- Submit proof of financing, final plans and specifications, construction budget, and construction schedule within 30 days of execution of the Development Agreement.
- Close on sale of the first Cluster of property ("First Closing") (approximately 15 building sites) within 30 days of submittal of the above.
- Close on sale of the: second Cluster within 9 months of the First Closing, third Cluster within 18 months of the First Closing, and final Cluster within 30 months of the First Closing.
- Submit a City-approved subdivision plat and storm water management plan for the first cluster prior to First Closing.
- Commence construction of two model homes within 45 days of First Closing and complete them within 6 months.
- Begin sale of lots within 30 days of the First Closing.
- Sell and complete construction of houses on 30 houses within 24 months of First Closing, and sell and complete construction of 60 houses within 36 months of First Closing.
- Submit quarterly progress reports.

General

This term sheet does not constitute an agreement between the City or RACM and the Developer.

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