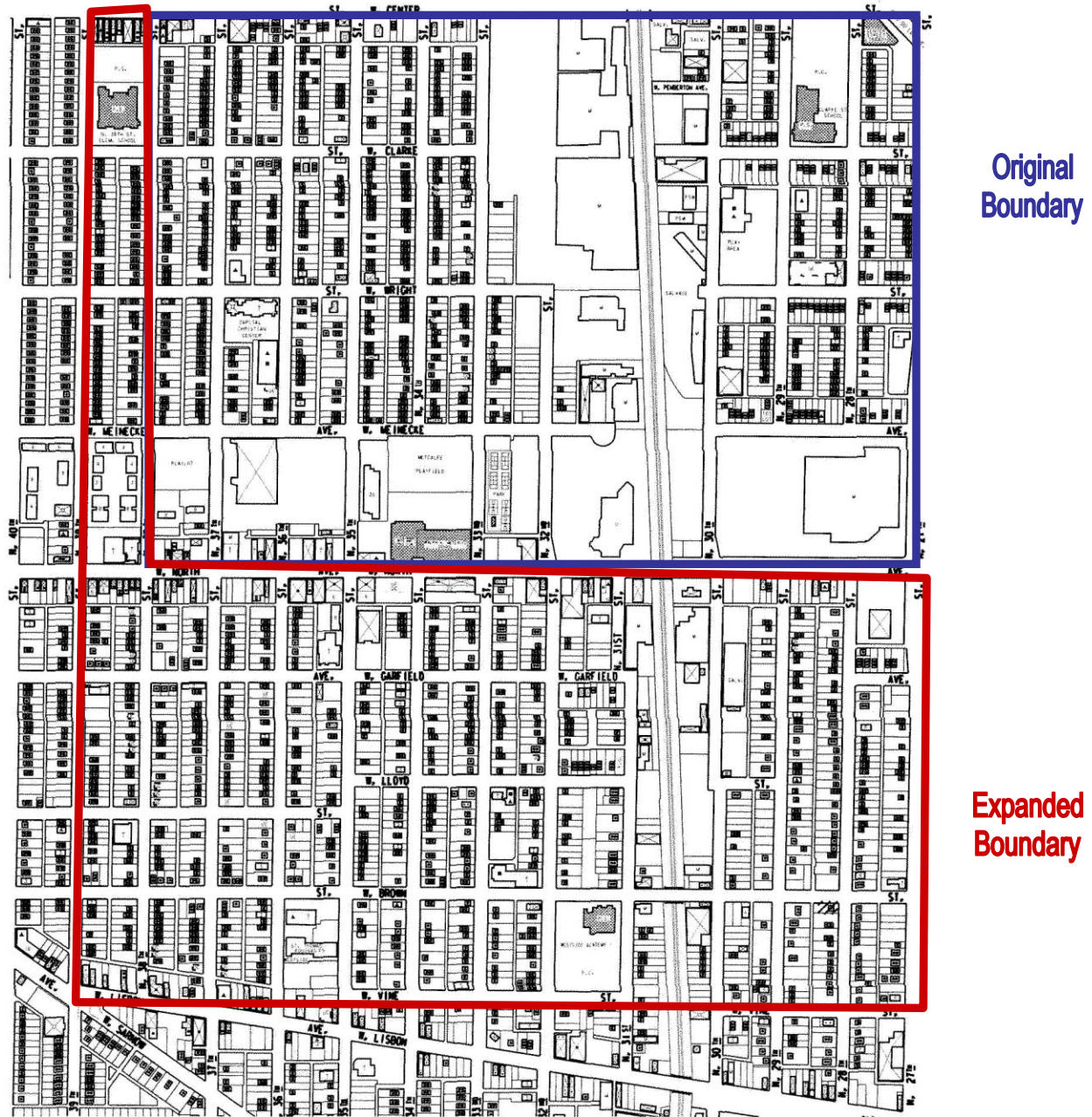


LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE
December 12, 2006

NEIGHBORHOOD

Metcalfe Park: A neighborhood generally between North to Center from 27th to 38th Streets. The area was recently approved for a Tax Incremental District to finance housing development. The original Metcalfe Park was relocated from the industrial area near 28th and Meinecke to the Todd Wehr Center adjacent the Metcalfe School and Fitzsimmons Boys and Girls Club at 35th & North.



BUYER

Gorman Company, a Madison based developer that specializes in developing affordable housing. Key Milwaukee projects include the Kunzelman Esser Lofts, London Square Apartments redevelopment and the Knitting Factory Lofts. The Milwaukee Urban League is a co-developer.

PARCEL ADDRESSES & DESCRIPTION

The City currently owns about 27 buildable vacant lots in the expanded target area between Vine and Center Streets and 27th and 39th Streets. The lots will be assembled and divided to create appropriately sized building sites for the proposed houses. Lots with commercial potential in the target area will not be made available for the project.

PROJECT DESCRIPTION

Metcalfe Park Lease-to-Own Homes Phase II will consist of 24 single-family units that have a mix of two, three and four bedrooms. The project will complement Phase I, which consisted of 30 units in the original boundary. Construction of Phase I will commence shortly.

Houses will use modular building systems and the designs will reflect the neighborhood and will feature full basements and garages. All homes feature universal design standards with a bedroom, bathroom and laundry on the first floor and all rooms are designed to be wheel-chair accessible. The target market is households with incomes that are 50% to 60% of the County Median Income. After the 15-year tax-credit compliance period, the homes will be sold to tenants that have built up the needed equity through the rental payments.

Total Phase II costs are estimated at \$4.5 million. The developer is targeting 25% EBE participation. The project will be financed in part through federal housing tax credits from the Wisconsin Housing and Economic Development Administration (WHEDA). Tax credit applications are due to WHEDA in February 2007 and the redeveloper needs to demonstrate site control for its application. Tax credit reservations will be awarded in April. Additional funding will be provided through conventional financing.

OPTION TERMS AND CONDITIONS

The purchase price will be \$1.00 per City lot and conveyance will be on an "as is" basis. A purchase and sale agreement shall be drafted by the City Attorney. A \$2,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project. All sale proceeds shall be deposited in the Tax Deficit Fund.

The total option period is for two years so as to allow multiple applications for WHEDA tax credit in the event the project does not receive a 2007 allocation. The base option is until February 15, 2007, to allow the Redeveloper time to submit an application to WHEDA for the federal housing tax credits. When the Buyer submits the application, the option will be automatically extended four months, or until WHEDA makes its initial allocation of tax credits. Upon award of the tax credit allocation, the option is automatically extended until December 31, 2007. If the Buyer requires additional time beyond December 31st to obtain financing or final plans, the Commissioner of DCD may extend the option for a six-month period upon submission of a \$500 non-refundable renewal fee and satisfactory progress report on the project. If the project does not receive a 2007 allocation, the Commissioner may renew the base option until 2008 to allow a second WHEDA application. If the Buyer fails to make any required submissions to WHEDA, the option may be cancelled immediately by the Commissioner.