

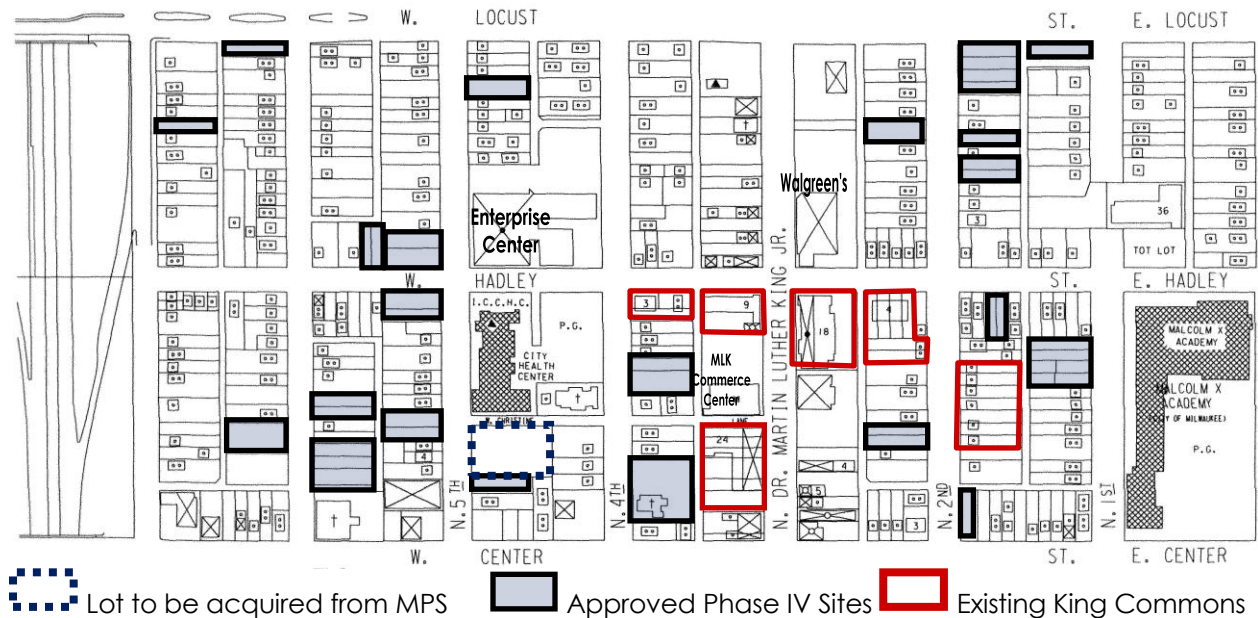
**LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE
September 1, 2011

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

PROPOSED ACTION

Approve the conveyance of the MPS/City-owned parking lot at 2730 North 5th Street to Martin Luther King Economic Development Corporation (MLKEDC) for incorporation in the King Commons Phase IV housing initiative. The lot is separate from the former Fifth Street School/Isaac Coggs Health Center. Sale of the lot separately from the MPS building will not adversely affect future marketing. The Milwaukee Board of School Directors approved the conveyance on August 25, 2011.



PROPERTY & CONVEYANCE TERMS

2730 North 5th Street: A 24,679 square-foot parking lot associated with the former Fifth Street School/Isaac Coggs Health Center. The lot is paved and has site improvements consisting of fencing, lighting, drainage and minor landscaping.

The purchase price is \$25,000 payable to MPS upon closing. The sale shall close concurrently with MLKEDC's acquisition of property from the Redevelopment Authority, but on or before January 31, 2012, unless extended by the City. MLKEDC must satisfy the Authority's closing contingencies for Phase IV – firm financing and final plan approval prior to closing, which is expected in December 2011.



BUYER

Martin Luther King Economic Development Corporation: A non-profit development corporation created in 1993 to partner with individuals and organizations for entrepreneurial initiatives that create wealth and jobs in the King Drive and Harambee neighborhoods. Welford Sanders is Executive Director. A new limited liability company will be formed with the equity investor to take title and develop the project.

PRIOR ACTIONS & PROJECT DESCRIPTION

In December 2010, the Common Council authorized sale of Redevelopment Authority property for the Phase IV of King Commons. MLKEDC began King Commons in 1999 as a comprehensive commercial and residential redevelopment from 1st to 7th Streets and between Center and Locust. Its efforts have resulted in three mixed-use buildings on King Drive and a total of 66 housing units in these buildings and on a scattered site basis.



Phase I Mixed-Use Building



Phase II Rowhouses



Phase II Single-Family



Phase II Townhouse



Phase III Mixed-Use Building

Phase IV involves construction of 35 to 40 units of affordable rental housing on scattered sites in a combination of townhouse and single-family buildings. The MPS parking lot will be used for either three single-family units or may be suitable for townhouse construction. The units will be rent-to-own where occupants can build up equity during the rental period and purchase the units at the end of the compliance period for affordable rental housing.

Phase IV costs are approximately \$9.3 million and the project will be financed in part with federal housing tax credits administered by the Wisconsin Housing and Economic Development Authority (WHEDA) and funds from the Neighborhood Stabilization Program. The developer projects EBE participation of 30% of construction costs. MLKEDC expects all project elements to be final late this year with closing and construction in December 2011.