

**REVISED LAND DISPOSITION REPORT  
REDEVELOPMENT AUTHORITY  
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

**DATE**

Original Approval: December 15, 2005

Revised: June 21, 2007

**RESPONSIBLE STAFF**

James Sayers, Development Manager

**REDEVELOPMENT PROJECT AREA**

The Redevelopment Plan for the "North 20<sup>th</sup> and West Brown Streets Redevelopment Project Area" was approved by the Redevelopment Authority at the January, 2006 RACM meeting and by the Common Council in September, 2006.

**TAX INCREMENTAL DISTRICT (TID)**

The redevelopment will be located within Tax Incremental District No. 65 (the "TID"). The TID provides funds for public improvements, land acquisition and grant/loan funds to existing property owners. It was approved by the Redevelopment Authority in January, 2006 and by the Common Council in September, 2006.

**REDEVELOPER**

Legacy Midwest Renewal 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 Midwest Renewal Corporation - Sally Peltz; Irgens Development Partners - Mark Irgens; and Williams Development Corporation - Bill Orenstein. The three Partners formed Legacy Development Partners, LLC, to develop the site.

**PARCEL ADDRESSES & DESCRIPTION**

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

**PROJECT DESCRIPTION**

The proposed Development will construct up to 60 single-family homes and up to 24 townhouse units. The homes will be at least 1600 square feet with at least 3 bedrooms and 1-1/2 baths. All homes and townhouse units will be sold to owner-occupants, with up to 10 being reserved for low-moderate income households. The expected purchase price of the townhouses is \$160,000 and the single-family homes is \$175,000. The Redeveloper will purchase the land and perform according to the terms and conditions of a Development Agreement, including work associated with land division, stormwater management, marketing (to include building four 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 single-family building lot and \$1,000 per unit of any townhouse lot. The price recognizes the duties and restrictions imposed on the Redeveloper.

The December, 2005 Land Disposition Report (LDR) requires that any significant modifications be presented to the Authority for approval. Staff has been advised by the City Attorney that there are significant changes and therefore a revised Term Sheet of the Agreement is herewith presented to the Authority as Exhibit Two to this Land Disposition Report. Rather than the standard Option, the Redeveloper shall execute the Purchase and Sale Agreement. A \$10,000 performance deposit is required and shall be held until satisfactory completion of the project.

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. Closing shall occur after the Common Council approves this Revised Land Disposition Report and after the Redeveloper submits acceptable final plans, specifications and proof of financing. Closing must occur within 15 days of final approval by the Common Council. RACM will deduct a 30% 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.

**FUTURE ACTIONS**

Upon approval of this Report and receipt of requisite approvals by regulatory bodies, the Redevelopment Authority will enter into said Purchase and Sale 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	HSE_NBR	SFX	DIR	ST_NAME	TYPE	OWNER_NAME_1	CLUSTER
3500003000	2225	2227		W	LLOYD	ST	CITY OF MILW	3
3500004000	2219	2223		W	LLOYD	ST	CITY OF MILW	3
3500505100	2119	2121		W	LLOYD	ST	CITY OF MILW	1
3500519000	2115	2115		W	LLOYD	ST	CITY OF MILW	1
3500520000	2113	2113		W	LLOYD	ST	CITY OF MILW	1
3500521000	2107	2109		W	LLOYD	ST	CITY OF MILW	1
3500522000	2101	2105		W	LLOYD	ST	CITY OF MILW	1
3500876110	2124	2124		W	LLOYD	ST	CITY OF MILW	1
3500962100	2127	2129		N	22ND	ST	CITY OF MILW	3
3500965000	2113	2113		N	22ND	ST	CITY OF MILW	3
3500972000	2224	2226		W	LLOYD	ST	CITY OF MILW	3
3500973000	2232	2234		W	LLOYD	ST	CITY OF MILW	3
3502139000	2331	2333		W	GARFIELD	AV	CITY OF MILW	4
3502141000	2325	2325		W	GARFIELD	AV	CITY OF MILW	4
3502142000	2321	2323		W	GARFIELD	AV	CITY OF MILW	4
3502148100	2145	2145		N	23RD	ST	CITY OF MILW	4
3502150100	2135	2137		N	23RD	ST	CITY OF MILW	4
3502151100	2131	2133		N	23RD	ST	CITY OF MILW	4
3502704110	2030	2030		N	21ST	LA	CITY OF MILW	1
3502712000	2126	2126		W	BROWN	ST	CITY OF MILW	1
3502713000	2021	2023		N	21ST	LA	CITY OF MILW	1
3502804110	2029	2029		N	21ST	ST	CITY OF MILW	1
3503007110	2039	2039		N	22ND	ST	CITY OF MILW	3
3503011100	2212	2212		W	BROWN	ST	CITY OF MILW	3
3500001000	2235	2235		W	LLOYD	ST	MILW HOUSING AUTH	3
3500002000	2231	2231		W	LLOYD	ST	MILW HOUSING AUTH	3
3500020110	2009	2013		N	22ND	ST	CITY OF MILWAUKEE	3
3500020120	2204	2206		W	BROWN	ST	CITY OF MILWAUKEE	2
3500504110	2123	2123R		W	LLOYD	ST	CITY OF MILWAUKEE	1
3500507000	2054	2056		N	22ND	ST	CITY OF MILWAUKEE	1
3500518100	2127	2127R		W	LLOYD	ST	CITY OF MILWAUKEE	1
3500523000	2049	2049		N	21ST	ST	CITY OF MILWAUKEE	1
3500603000	2027	2027A		N	22ND	ST	CITY OF MILWAUKEE	3
3500813100	2008	2008		W	GARFIELD	AV	CITY OF MILWAUKEE	1
3500814100	2200	2200		N	21ST	ST	CITY OF MILWAUKEE	1
3500871200	2104	2104		W	LLOYD	ST	CITY OF MILWAUKEE	1
3500872100	2108	2108		W	LLOYD	ST	CITY OF MILWAUKEE	1
3500873100	2114	2114		W	LLOYD	ST	CITY OF MILWAUKEE	1
3500874000	2116	2116		W	LLOYD	ST	CITY OF MILWAUKEE	1
3500875000	2120	2120		W	LLOYD	ST	CITY OF MILWAUKEE	1
3500892110	2239	2239		N	21ST	ST	CITY OF MILWAUKEE	1A
3500898100	2102	2102		W	GARFIELD	AV	CITY OF MILWAUKEE	1A
3500914100*	2235	2235		W	NORTH	AV	CITY OF MILWAUKEE	1A

<b>TAXKEY</b>	<b>HSE_NBR</b>	<b>HSE_NBR</b>	<b>SFX</b>	<b>DIR</b>	<b>ST_NAME</b>	<b>TYPE</b>	<b>OWNER_NAME_1</b>	<b>CLUSTER</b>
3500963000	2123	2123		N	22ND	ST	CITY OF MILWAUKEE	3
3500964000	2119	2121		N	22ND	ST	CITY OF MILWAUKEE	3
3500966000	2202	2202		W	LLOYD	ST	CITY OF MILWAUKEE	3
3500970000	2218	2218		W	LLOYD	ST	CITY OF MILWAUKEE	3
3500971000	2222	2222		W	LLOYD	ST	CITY OF MILWAUKEE	3
3502140000	2329	2329		W	GARFIELD	AV	CITY OF MILWAUKEE	4
3502143000	2317	2319		W	GARFIELD	AV	CITY OF MILWAUKEE	4
3502144100	2313	2313		W	GARFIELD	AV	CITY OF MILWAUKEE	4
3502145000	2309	2309		W	GARFIELD	AV	CITY OF MILWAUKEE	4
3502146000	2305	2305		W	GARFIELD	AV	CITY OF MILWAUKEE	4
3502147000	2301	2301		W	GARFIELD	AV	CITY OF MILWAUKEE	4
3502801000	2043	2043		N	21ST	ST	CITY OF MILWAUKEE	1
3503004000	2213	2213		W	LLOYD	ST	CITY OF MILWAUKEE	3
3503007120	2041	2041		N	22ND	ST	CITY OF MILWAUKEE	3
3503825000	2019	2019		N	23RD	ST	CITY OF MILWAUKEE	2
3503826000	2023	2023		N	23RD	ST	CITY OF MILWAUKEE	2
3503831000	2018	2018		N	24TH	ST	CITY OF MILWAUKEE	2
3503832000	2020	2020		N	24TH	ST	CITY OF MILWAUKEE	2
3503841000	2312	2312		W	BROWN	ST	CITY OF MILWAUKEE	3
3503842000	2302	2302		W	BROWN	ST	CITY OF MILWAUKEE	2
3503843000	2318	2318		W	BROWN	ST	CITY OF MILWAUKEE	2
3503845000	2332	2332		W	BROWN	ST	CITY OF MILWAUKEE	2
3503846000	2328	2328		W	BROWN	ST	CITY OF MILWAUKEE	2
3503847000	2322	2322		W	BROWN	ST	CITY OF MILWAUKEE	2
3503848000	2320	2320		W	BROWN	ST	CITY OF MILWAUKEE	2
3500506100	2058	2060		N	22ND	ST	NEIGHBORHOOD IMPROVEMENT	1

\*per cluster map

**Exhibit Two**  
**Summary of Terms:**  
**TID No. 65 “20<sup>th</sup>-Brown”**

**Project:**

There are no changes to this Section\*

The plan for the 20<sup>th</sup> and Brown Tax Incremental District (TID) includes constructing a residential development of up to 60 single-family homes and 24 town house units. (The TID feasibility uses a conservative estimate of 50 single family and 18 town house units.) The TID will be located in an area bounded approximately by W. North Ave. on the north, N. 20<sup>th</sup> St. on the east, W. Brown St. on the south, and N. 24<sup>th</sup> St. on the west.

Associated work includes Phase II environmental testing, environmental remediation, public improvements (sewer, water, lighting, trees, and pavement) and a contribution toward green space improvements to Johnsons Park. Also planned are rehabilitation grants or loans to property owners in the District. Finally, if opportunities present themselves, there may be purchase of some privately-owned properties.

**Project Budget:**

There are no changes to this Section\*

Private investment is estimated at \$11.6 million and public will be \$3.25 million. Total investment will be approximately \$15 million.

**Developer:**

There are no changes to this Section\*

Legacy Midwest Renewal Corporation, Irgens Development Partners, LLC, and Williams Development Corporation formed a for-profit corporation to develop the site.

**City Contribution:**

There are no changes to this Section\*

The City will pay for public improvements including limited green space enhancements to Johnsons Park. Also contemplated is a potential to purchase privately-owned properties, rehabilitation grants or loans to existing property owners in the District, and environmental remediation.

**Disbursements:**

There are changes to this Section\*

A Cooperation Agreement between the City and the Redevelopment Authority is required to implement the TID Plan.

The Department of City Development (DCD) will start reconstruction work on West Garfield Avenue as soon as possible after the Development Agreement between the City and the Developer is executed, and will start the construction on the remaining public improvements after 4 units are under construction.

All bids and payments for public improvements shall occur only after approval by the DCD and the Department of Public Works (DPW.) DCD will approve any other use and disbursement of TID funds consistent with the approved plan.

**Maximum Term of TIF District:**

There are no changes to this Section\*

The maximum term of the TID is January, 2033. The expected date of full amortization of debt is in 2028.

**Developer Responsibilities:**

There are changes to this Section\*

Design and develop up to 60, but not less than 50 single-family homes and up to 24, but not less than 18 town house units.

Purchase the land as-is. Developer will assume all costs of storm water management, land division, including buried rubble except that the City will environmentally remediate most of the land north of West Garfield Avenue, and obtain Department of Natural Resources (DNR) "site closure" before offering any of those lots for sale to the Developer. (Depending on how this land is platted, it will be comprised of approximately 8 townhouse lots, or 24 single-family lots, or a combination of single-family and townhouse lots.)

Establish design guidelines for the homes and townhouses.

Market the sites and the development.

Build all homes to customers' specifications.

Commit to 25% Emerging Business Enterprise participation.

Perform neighborhood outreach.

Work with Legacy Bank to finance home improvement loans and mortgages.

After taking a 15% return on costs, pay RACM 50% of the remaining income.

**Developer's Performance Milestones:**

There are changes to this Section\*

Execute the Development Agreement within 15 days of final approval by the Common Council.

Submit proof of financing, final plans and specifications, construction budget, construction schedule, an approvable application for land division and for storm water management within 30 days of executing the Development Agreement.

Purchase the land in 5 stages (Clusters). Close on the sale of the first Cluster (approximately 17 building sites) within 30 days of executing the Development Agreement.

Close on sale of a second Cluster within 12 months of the First Closing, and close on sale of the remaining Clusters within 12 months of the prior closing.

Close on the sale of a townhouse lot within 30 days after the remediation work is completed and the DNR issues "site closure."

Start construction on at least 50% of the lots in a Cluster before being permitted to buy the next Cluster.

Begin sale of lots within 30 days of the First Closing.

Start building at least 4 model homes within 120 days of the first closing.

Start building one townhouse unit within 30 days of the closing.

Sell and complete construction of 50 single family and 18 town houses within 48 months of the first Closing.

If the Developer does not meet the deadlines for closing, sales, and starting construction, RACM may sell all or parts of Clusters to any other buyer that agrees to develop the site consistent with the Redevelopment Plan.

Submit quarterly progress reports.

**General**

There are no changes to this Section\*

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

\*Comparing the December 2005 Summary to this June 2007 Summary