

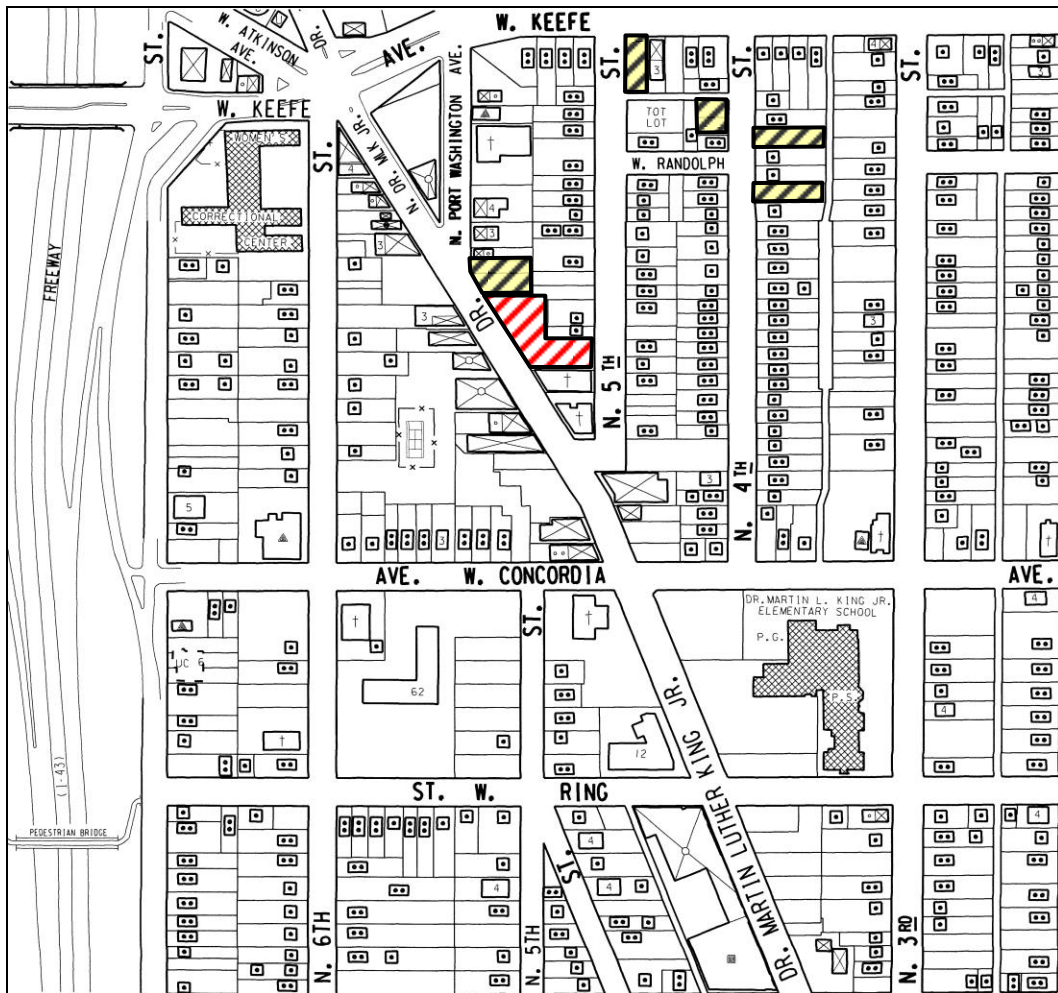
**BLIGHT DESIGNATION SUMMARY AND
LAND DISPOSITION REPORT
REDEVELOPMENT AUTHORITY
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE
October 29, 2008

RESPONSIBLE STAFF
Matt Haessly, DCD Real Estate (286-5736)

PROPOSED ACTIVITY
Declaring seven City-owned vacant lots "blighted" for acquisition by the Redevelopment Authority and authorizing an Option to Purchase for these and an Authority-owned property for mixed-use development and infill housing.

REDEVELOPMENT PROJECT AREA
North Green Bay Avenue & North 5th Street. The Project Area was created in 1979 to eliminate blighting properties on North Dr. Martin Luther King Jr. Drive and promote business development. The land use restrictions expired in 2004.



City Lots/Blight Property



RACM Lot

CITY PROPERTIES/BLIGHT DESIGNATIONS

3386-90 North Dr. Martin Luther King Jr. Drive	6,116 SF
3400 North Dr. Martin Luther King Jr. Drive	3,423 SF
3432 North 4th Street	5,788 SF
3446-48 North 4th Street	5,990 SF
3451-53 North 4th Street	2,459 SF
3457-59 North 4th Street	2,436 SF
3470 North 5th Street	5,416 SF

FINDINGS OF BLIGHT

The properties meet the statutory definition of blight by virtue of the vacant status, small lot size and diversity, all of which impair and arrest the sound growth of the City.

REDEVELOPER

Maures Development Group, LLC, established in 2007 by Melissa Goins. The firm develops urban retail, office, mixed-use, multi-family and senior housing projects. Maures just completed Teutonia Gardens, a 24-unit affordable housing building at the northwest corner of Teutonia and Center, and Granville Heights, 63 units of affordable senior housing at 8719 North 68th Street. Maures participates in WHEDA's Mentor-Protégé Program with Horizon Development Group. Ms. Goins is a graduate of the Associates in Commercial Real Estate (ACRE) Program at Marquette University.

PARCEL ADDRESSES & DESCRIPTION

- Mixed-Use: 3362-3400 North Dr. Martin Luther King, Jr. Drive: The combined area of approximately 29,000 SF with 245 feet of frontage along King Drive.
- Scattered Sites: Five buildable lots in the 3400 block of North 4th and 5th Streets that range in size from 2,376 SF to 6,000 SF in size.

Additional lots may become available through tax foreclosure or release by other developers and may be substituted upon recommendation of the Executive Director.

PROJECT DESCRIPTION

Heart & Hope Place will be a 24-unit affordable housing effort. The development will include a mixed-use building on North Dr. Martin Luther King Jr. Drive and five scattered single-family or duplex homes.

The primary building will be a three-story, mixed-use structure facing King Drive. The building will have 1,200 to 2,400 SF of retail space with enclosed parking on the ground floor. The two upper floors will have eight apartments each. The units are a mix of two or three bedrooms and 1.5 or 2 baths.



The single-family home and duplexes will provide eight additional residential units. Building size will range from 1,800 SF for the single-family unit to 2,400 SF for the duplex. The scattered sites also will be a mix of two and three bedroom units with 1.5 or 2 baths.



Total project costs are estimated to be \$5,900,000. The project will be financed in part through federal affordable housing tax credits that WHEDA recently allocated to the project. Additional funding will be provided through conventional financing. The Redeveloper is committed to a strong EBE involvement and is aiming for 25% EBE participation.

OPTION TERMS AND CONDITIONS

The purchase price will be \$35,000 plus one-half of Phase II testing costs. The Executive Director is permitted to grant a feasibility credit up to \$25,000 prior to closing based on demonstrated economic hardship, but ensuring a minimal price to cover the Authority's expenses. A \$1,000 non-refundable Option Fee is required within 10 days of Council approval and shall be credited toward the Purchase Price if the sale closes in the first option term.

The base Option Period shall be six months, commencing with Common Council approval. If the Redeveloper requires additional time to sell the tax credits or obtain firm financing or final plans, the Executive Director may extend the option until December 31, 2009, approximately seven months, upon submission of a \$500 non-refundable renewal fee and a progress report on the efforts to obtain financing and plans.

Closing contingencies include Authority approval of final construction plans and financing and execution of Purchase and Sale Agreement that provides for reversion of title in the event of non-performance. A \$3,500 Performance Deposit must be submitted at closing and will be held until satisfactory completion of the project. Sale expenses, including the Authority's 30% development fee, shall be deducted from the Purchase Price and the net proceeds shall be returned to the Tax Deficit Fund.

PAST ACTIONS

The Redevelopment Authority held a public hearing on November 20, 2008, after which it conditionally accepted the Option to Purchase of the named Redeveloper.

FUTURE ACTIONS

Upon satisfaction of the closing contingencies, the Redevelopment Authority will close the sale in accordance with the terms and conditions expressed herein and contained in the resolution adopted by the Authority.