

**TERM SHEET  
AND PROPERTY DISPOSITION REPORT  
FOR SALE OF FORMER DOVER ELEMENTARY SCHOOL  
619 East Dover Street  
Common Council of the City of Milwaukee**

**DATE**

May 29, 2014

**MPS-APPROVED SALE TERMS**

On December 19, 2013, the Milwaukee Board of School Directors approved sale of the former Dover Elementary School. Key terms of the sale approval remain unchanged; only the project design has been modified through the zoning process.

- Developer remains unchanged.  
CommonBond Communities, Inc. and Maures Development Group, LLC. Partnering to form Dover, LLC to develop and manage the project.
- Purchase price remains unchanged.  
\$350,000 as specified in the RFP.
- Redevelopment concept unchanged:  
Adaptive reuse of the existing building and additional construction to provide housing targeted toward teachers and to provide common areas to foster teacher collaboration and mentoring. The project also still accommodates playground and parking needs for the adjacent St. Lucas School and Congregation.

**DESIGN REVISIONS**

The selected developer proposed a new design that reflects community input, while maintaining financial viability.

- Reduce the housing density from 110 to 75 units.
- Provides new construction in two, low-scale buildings.
- Provides an area for a playground and parking for St. Lucas School on approximately 1/3 of site or .86 acres. The play area also will be available for public use during certain hours. Ownership of this area may be retained by the City (or reconveyed to the City by the developer after construction of improvements) with access granted to St. Lucas through an easement with the City.
- Increases the parking ration with 95 spaces provided for the 75 units. 15 overnight spaces will be available for project residents on the St. Lucas parcel. DCD is working with MPL to provide evening parking at the Bay View Library to improve neighborhood parking.

**ZONING CHANGE**

Detailed Planned Development zoning accompanies the property sale authorization to ensure development conforms to approved plans.

## PROPERTY

The former Dover Elementary School is at 619 East Dover Street in Milwaukee, Wisconsin and consists of a 66,629 SF building situated on a 3.22-acre lot. The building, constructed in 1890 with an 1893 addition, is three stories and includes a gymnasium, auditorium, cafeteria and kitchen as well as about 23 classrooms.



MPS issued a Request for Proposal in 2013 for the purchase and redevelopment of the school as “Milwaukee TeachTown” to provide affordable housing for new teachers and to provide space for teacher collaboration and mentoring. MPS held a neighborhood meeting in October 2013 to introduce the TeachTown concept and informed the community about the merits of teacher housing. MPS held another meeting in November 2013 to solicit input on building and land uses specific to the redevelopment of the Dover property.

Three proposals were received and two met the RFP submittal requirements. After review by a three-party review panel, the CommonBond-Maures proposal was recommended to the Milwaukee Board of School Directors for approval at its December 19, 2013 meeting.

## **BUYER**

Dover, LLC, a new company to be formed by CommonBond Communities, Inc. and Maures Development, LLC. The Buyer was one of two parties that made qualified RFP submittals prior to the established deadline and was selected by a review team. Seewall Development, the developer of “TeachTown” projects in Baltimore and Philadelphia, will act as a consultant.

CommonBond is the Midwest’s largest nonprofit provider of affordable housing. The company, based on St. Paul Minnesota, owns or manages over 5,400 affordable apartments or townhomes in Wisconsin, Minnesota and Iowa. Milwaukee projects include Bishop’s Creek Apartments, Brewery Point, Florist Gardens and Teweles Seed Tower.

Maures, founded in 2006 by Melissa Goins, is a Milwaukee-based, minority and woman-owned real estate firm that specializes in developing affordable housing through construction and rehabilitation. The firm is active with multi-family, retail and office projects as an owner/developer, development manager for other companies and land use planning. Recent multi-family projects include Heart & Hope Place, Teutonia Gardens, Franklin Square and Century City Lofts.

## **PURCHASE PRICE**

\$350,000, the asking price specified in the RFP, plus the commitment to redevelop the property as outlined in the RFP submittal. The price is \$5.25 per square foot a building area and represents the contributory value of the building shell for adaptive reuse. This price is similar to that paid for the former Jackie Robinson Middle School.

## **PROPOSED REDEVELOPMENT**

Development of Milwaukee TeachTown, a 75-unit, market-rate housing development targeting teachers and new professionals. A key project component is the provision of common space to foster teacher interaction, collaboration and mentoring. To maximize teacher occupancy and mentoring opportunities, the developer will work closely with MPS, Teach for America and City Year on direct marketing efforts. Existing grounds will be improved with rain/vegetable gardens, an events lawn and added green space. 95 parking spaces will be provided for residents in a mix of enclosed spaces in the school or new buildings and surface spaces along the alley and in a central area.

The existing school will be converted to 43 apartments– 4 studio, 33 one-bedroom and 6 two-bedroom apartments. The lower level will contain at least 5,000 SF of amenity space, the bulk of which will be on the lower level and will include a fitness room and teacher workspace and lounge to foster teacher interaction and collaboration. Community space also will be provided and can be reserved by teachers or community organizations. 20 enclosed parking spaces also will be provided in the building.

Two new buildings will be constructed – on Dover and Potter Streets – to provide 32 additional housing units in a mix of one and two-bedroom units. Parking for most units will be provided in enclosed garages on the ground level that will be accessed from the interior parking area.

The housing component has an estimated project cost of \$11.9 million and will be developed and financed in a single phase. CommonBond will be the project manager. The developer estimates Small Business Enterprise participation at 35% of the total budget.





## PROPOSED NEW BUILDING ELEVATIONS



**Dover Street Building – 13 units**



**Potter Street Building – 19 units**

Original Submission	Initial Revision
<p style="text-align: center;">Front Elevation</p>	<p style="text-align: center;">EAST ELEVATION</p>
<p style="text-align: center;">Front Elevation</p>	<p style="text-align: center;">WEST ELEVATION</p>

### OFFER TERM & CLOSING

The Buyer will be provided with a one-year base term commencing with Council approval to obtain firm project financing, historic designation and historic tax credit approval and final construction plans. Two, six-month term renewals are available to satisfy contingencies. A Purchase and Sale Agreement will be drafted by the City Attorney’s Office that will contain performance deadlines for the Buyer. If the Buyer fails to meet performance deadlines, the Purchase and Sale Agreement may be terminated by MPS.

Closing shall occur as mutually agreed by the parties, but will be contingent on the Buyer obtaining all equity and firm financing without contingencies for full project cost. MPS will be responsible for the base title cost as a customary seller expense, but the Buyer will be responsible for obtaining and paying the cost of title updates, gap endorsements and closing fees, if any.

Use Covenants: Conveyance of the property shall be subject to the terms and conditions of the Request for Proposals and the development of the property for teacher housing.

Other Terms: The transaction documents shall contain the following other terms and conditions:

- The sale documents shall be substantially similar to the sample documents included in the Request for Proposals and shall include performance obligations and reversion of title provisions for non-performance.
- MPS will have a right of first refusal should the Buyer ever desire to sell the Property.
- The housing portion of the Property will be subject to a Payment in Lieu of Taxes (PILOT) Agreement or a deed restriction prohibiting application for tax-exempt status and for any use that has the effect of diminishing the annual average number of pupils enrolled in Milwaukee Public Schools as determined pursuant to Wis. Stat. 121.05, for-profit school, tax-exempt use, church/religious assembly facility, social service office, retail or office use for rent to third parties.
- Buyer and MPS/City will negotiate the terms and conditions of all necessary temporary and permanent easements needed for the construction and operation of the Property and use by St. Lucas School.
- Final rehabilitation and construction plans must conform to the Detail Planned Development zoning.
- Buyer shall not be in violation of City of Milwaukee Buyer Policies.