

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

DATE

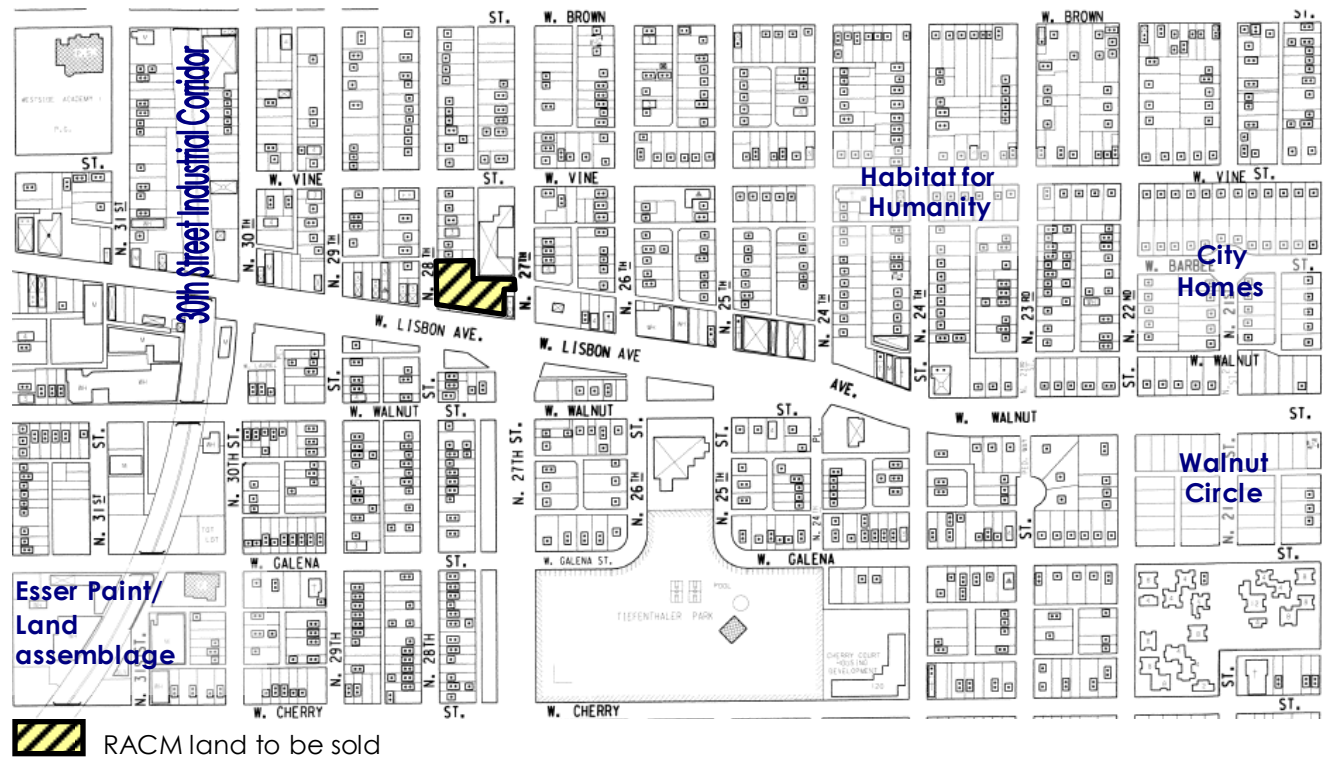
December 16, 2008

RESPONSIBLE STAFF

Yves LaPierre, Real Estate (286-5762)

REDEVELOPMENT PROJECT AREA

North 27th Street - West Lisbon Avenue: A Redevelopment area created in 1984 to promote residential development along Lisbon Avenue. The plan expires in May 2009.



REDEVELOPER

Lisbon Terrace, LLC, is a joint venture between Vanguard Group, LLC and the Commonwealth Development Partners, LLC. Vanguard and Commonwealth co-developed Prince Hall Village, a 10-unit residential development at Teutonia and Garfield Avenues and a 13-unit mixed-use building at 12th Street and North Avenue.

Commonwealth, owned by Louie Lange and based in Fond du Lac, Wisconsin, is an experienced affordable housing developer. The company developed "New Village," 24 housing units at 17th and Center Streets and "Fond du Lac Center," a 24-unit mixed-use development at the corners of Fond du Lac Avenue, Center Street and 27th Street. Commonwealth has developed family and senior housing projects in other Wisconsin communities.

Vanguard Group, LLC, owned by Kaylan Haywood, owns commercial and residential property in the City. Vanguard is an 100% African-American-owned real estate development and management company. Louie Lange is the owner of the Commonwealth Companies, which is based in Fond du Lac, Wisconsin.

PARCEL ADDRESSES & DESCRIPTION

2704-12, 2716, 2724-28, and 2730-32 West Lisbon Avenue: Four parcels containing 32,555 SF. The lot at 2716 West Lisbon is a former City-owned parking lot and the other parcels are vacant lots acquired as part of the redevelopment project.



Preliminary Lisbon Elevation



Conceptual Site Plan

PROJECT DESCRIPTION

Lisbon Terrace, a 24-unit townhouse-style building with 14 two-bedroom apartments, and 10 three-bedroom townhouses. A third-floor common area will include a media room, an exercise facility and a space for resident's meetings and gatherings

The 2-bedroom units will have approximately 1,000 square feet and 1 bath and the 3-bedroom townhouses will have approximately 1,500 square feet and 2 baths. Unit amenities include a dishwasher, microwave, central air conditioning and washer/dryer. Each unit will have covered parking and additional surface parking will be available for residents and guests. Additional spaces will be available to House of Fades, a salon at 2700-02 West Lisbon Avenue, that currently uses the existing RACM parking lot. Rents will range from \$565 to \$695 per month depending on tenant income. Management services will be through the Friends of Housing Corporation.

The estimated project cost is \$5.6 million. The project will be financed in part through affordable housing tax credits allocated by the Wisconsin Housing and Economic Development Authority (WHEDA). The Redeveloper will sign an Emerging Business Enterprise ("EBE") Agreement with the City that will commit to at least 18% EBE participation, but with a goal of 30%. Commonwealth exceeded 30% EBE participation in the New Village and Fond du Lac Center projects.

OPTION TERMS AND CONDITIONS

The sale price is \$32,500. A \$1,300 non-refundable Option Fee is required within 10 days of Common Council approval and shall be credited toward the purchase price for a timely closing after receipt of tax credits by the Redeveloper. A \$3,200 Performance Deposit is required at closing and will be held until satisfactory completion of the project as certified by the Authority.

The option periods have been established to correspond with WHEDA's tax-credit program and allow applications over a two-year period. The base option is six months to allow for a 2009 tax credit application. Upon receipt of a 2009 tax credit allocation, the option will be automatically extended at no cost for six months to allow Redeveloper to obtain final construction plans and firm financing including sale of the tax credits. If Redeveloper requires additional time to close, the option may be extended for up to two six-month periods upon payment of a \$500 fee for each renewal and submission of a satisfactory written progress report on efforts to obtain final plans and financing.

If Redeveloper does not receive a 2009 tax allocation, the option may be extended at Redeveloper's request for one year to allow the Redeveloper to submit a 2010 tax-credit application. Upon receipt of a 2010 application, the option may be extended under the same conditions for a 2009 tax credit award. If Redeveloper fails to make any required submissions to WHEDA, the option may be terminated by the Executive Director and all fee retained by the Authority.

Closing shall occur after the Redeveloper submits acceptable final plans and evidence of firm financing and equity. Sales proceeds, less sale expenses and a 30% disposition fee to the Authority, will be distributed to the City's parking fund and Block Grant administration.

PAST ACTIONS

On December 18, 2008, the Redevelopment Authority held a Public Hearing on the land disposition after which it accepted the Option to Purchase of the Redeveloper conditioned on Common Council approval.

In 2007, the Redeveloper received a six-month Option to Purchase from the Authority. The option terminated when the project did not receive WHEDA tax credits in April 2008.

FUTURE ACTIONS

Upon approval of this Report by the Common Council, Redeveloper shall apply for 2009 WHEDA tax credits. Upon receipt of an allocation, Redeveloper shall prepare final plans and firm financing for approval by the Authority. An Agreement for Sale outlining performance and reversion of title provisions will be drafted and executed prior to closing.