

**BLIGHT DESIGNATION SUMMARY AND
LAND DISPOSITION REPORT
32ND AND GARFIELD**

DATE

December 13, 2007

RESPONSIBLE STAFF

Dan Casanova, Real Estate Staff (286-5921)

PROPOSED ACTIVITY

Declare ten City-owned the following vacant lots "blighted" for acquisition by the Redevelopment Authority and convey those lots, along with two Redevelopment Authority-owned properties at 2200 and 2206 North 32nd Street to the North Avenue Community Development Corporation ("NACDC"), or its assigns for residential and mixed-use development.



PROPERTIES TO BE ACQUIRED FROM CITY

3215 and 3223 West North Avenue
2139-41, 2231, 2235 and 2237-39 North 32nd Street
2106, 2214-16 and 2244 North 33rd Street
2118-20 North 34th Street

FINDINGS OF BLIGHT

The properties meet the statutory definition of blight by virtue of the vacant or partially vacant status, deterioration of structures and site improvements, small lot size and diversity, all of which impair and arrest the sound growth of the City and implementation of the Comprehensive Plan.

REDEVELOPER

North Avenue Community Development Corporation ("NACDC"). Formed in 1999 as a non-profit 501c(3) created by a consortium of local non-profit organizations, brought together by the Helen Bader Foundation, to identify economic development opportunities in its target area, and leverage access to resources to encourage sustainable and significant economic growth and development. The NACDC's "target area" encompasses Burleigh St. to the North, Juneau Ave. to the South, Interstate 43 to the East and 46th street to the West. Renee Booker is the Executive Director.

Two of NACDC's major recent projects are Columbia Square, a mixed-use building with 22 apartments and Toussaint Square, a mixed-use building with 15,000 SF of commercial space and 23 apartments.

PROPOSED REDEVELOPMENT

Along North Avenue, the three-story Avenue Lofts will be constructed with 4,000 SF of retail on the first floor and four 1,500 SF three-bedroom affordable apartments on the second and third floors. Eight side by side townhomes will also be built on scattered sites. Each unit will be 1,500 SF and will have three bedrooms, a basement and 2-car garage.



The Avenue Lofts



The Avenue Townhomes

Total projects costs are approximately \$6.02 million. The project will be financed in part through federal housing tax credits allocated by WHEDA. Additional funding will be provided through conventional financing. The Redeveloper expects Emerging Business Enterprises to comprise about 30 percent of the project budget.

OPTION TERMS AND CONDITIONS

The purchase price will be \$24,000. The Executive Director may grant a credit at closing if the purchase price jeopardizes overall project feasibility. Conveyance will be on an "as is" basis. A financial feasibility credit may be granted by DCD's Commissioner at closing based on demonstrated hardship. A \$250 Option Fee will be required and will be credited toward the purchase price. A \$1,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project. Sale proceeds, less sale expenses and a 30% fee to the Redevelopment Authority, will be deposited in the Reserve For Tax Deficit Fund.

The total option period is for two years so as to allow multiple applications for WHEDA tax credits in the event the project does not receive a 2008 allocation. The option periods correspond to WHEDA's tax credit schedule. The base option is until February 15, 2008, to allow the Redeveloper time to submit a tax-credit application to WHEDA. Upon application, the option will be automatically extended four months, or until WHEDA makes its initial allocation of tax credits. Upon award of the tax credit allocation, the option is automatically extended until December 31, 2008. If the Redeveloper requires additional time beyond December 31st to obtain financing or final plans, the Commissioner of DCD may extend the option for a six-month period upon submission of a \$500 non-refundable renewal fee and satisfactory progress report on the project. If the project does not receive a 2008 allocation, DCD's Commissioner may renew the base option until 2009 to allow a second WHEDA application. If the Redeveloper fails to make any required submissions to WHEDA in 2009, the option may be cancelled immediately by DCD's Commissioner.

PAST ACTIONS

On December 13, 2007, the Redevelopment Authority held a Public Hearing on the blight designation after which it conditionally approved the blight designation and acquisition. The hearing concurrently addressed the subsequent disposition of the properties pursuant to Wisconsin Statutes.

FUTURE ACTIONS

Upon approval by the Common Council, the Redevelopment Authority will proceed with the acquisition of properties pursuant to Section 32.05, Wisconsin Statutes. Because the properties will be conveyed to a third-party buyer after acquisition, the Authority also will follow the procedures outlined in Wisconsin Act 233 (Wisconsin Statutes 32.02 (1) or (11); that requires providing the owner with the findings of blight and other information. In addition, a Relocation Plan will be prepared and all tenants relocated according to Wisconsin Statutes.