

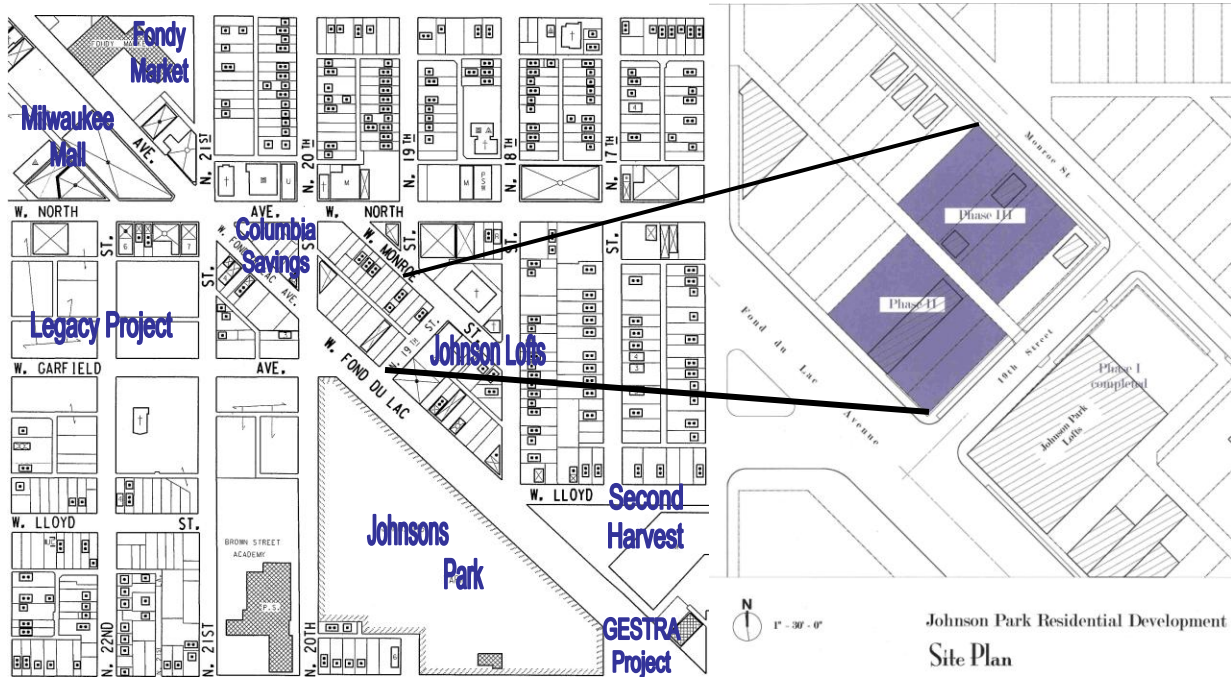
LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

December 12, 2006

NEIGHBORHOOD

Fond du Lac & North Planning Area: An area plan was adopted as an element of the City's comprehensive plan in March 2004. The plan identified vacant land in the vicinity of the primary Fond du Lac and North intersection as catalytic development targets.



BUYER

Wisconsin Redevelopment, Inc., a private development corporation created by Robert Lemke and Todd Hutchinson. The Buyer recently completed redevelopment of the Johnson Lofts at 1862 West Fond du Lac.

PARCEL ADDRESSES & DESCRIPTION

Phase I: 1922, 1924-26 and 1932-38 West Fond du Lac Avenue, three City lots containing 14,400 SF. The lots will be assembled with Buyer's property at 1928-30 West Fond du Lac to create a 18,000 SF development site.

Phase II: 1909, 1919 and 1923 West Monroe Street, three City lots containing 10,800 SF. The lots will be combined with Buyer's properties at 1905 and 1913 West Monroe for a development site that also contains 18,000 SF.

PROJECT DESCRIPTION

Phase I will consist of eight live-work units on the first two floors and 24 rental apartments on the upper level. The units will be 1,200 to 1,500 SF with two bedrooms, a balcony and two parking spaces. The four-story building is in scale to the neighborhood and will incorporate sustainable/LEED design features. Units will be leased for affordable housing according to the federal tax-credit program. After the 15-year tax-credit compliance period, the units will be sold at affordable prices to tenants who have built up sufficient equity through the rental payments.



Phase II will consist of five single-family homes that will be sold for owner occupancy



Total project costs are estimated to be \$4.734 million. Architectural design will be provided by Miller Architectural Group and Universal Construction Services is expected to be the General Contractor. The buyer is targeting 35% EBE participation.

The project will be financed in part through federal housing tax credits from the Wisconsin Housing and Economic Development Administration (WHEDA). Tax credit applications are due to WHEDA in February 2007 and the Buyer needs to demonstrate site control for its application. Tax credit reservations will be awarded in April. Additional funding will be provided through conventional financing.

OPTION TERMS AND CONDITIONS

The purchase price will be \$35,000 as outlined in the Buyer’s offer to purchase. Conveyance will be phased upon approval of buyer plans and evidence of firm financing and on an “as is” basis. A Phase I Environmental Assessment will be provided Buyer for the Fond du Lac properties as required by the ordinance. A \$350 Option Fee will be required upon Council approval and will be credited toward the purchase price if the buyer closes on or before December 31, 2007. A \$2,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project. Sale proceeds, less sale expenses and a 25% fee to the Redevelopment Authority, will be deposited in the Tax Deficit Fund.

The option periods correspond to WHEDA’s tax credit schedule. The initial option is until February 15, 2007, to allow the Buyer time to submit an application to WHEDA for the federal housing tax credits. When the Buyer submits the 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, 2007. If the Buyer requires additional time beyond December 31st to obtain financing or final plans, the Commissioner of DCD may extend the option for one six-month period upon submission of a \$500 non-refundable renewal fee and satisfactory progress report on the project. The option will be terminated if WHEDA rejects the Buyer’s project at any point in the tax-credit process.