

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

DATE

December 15, 2005

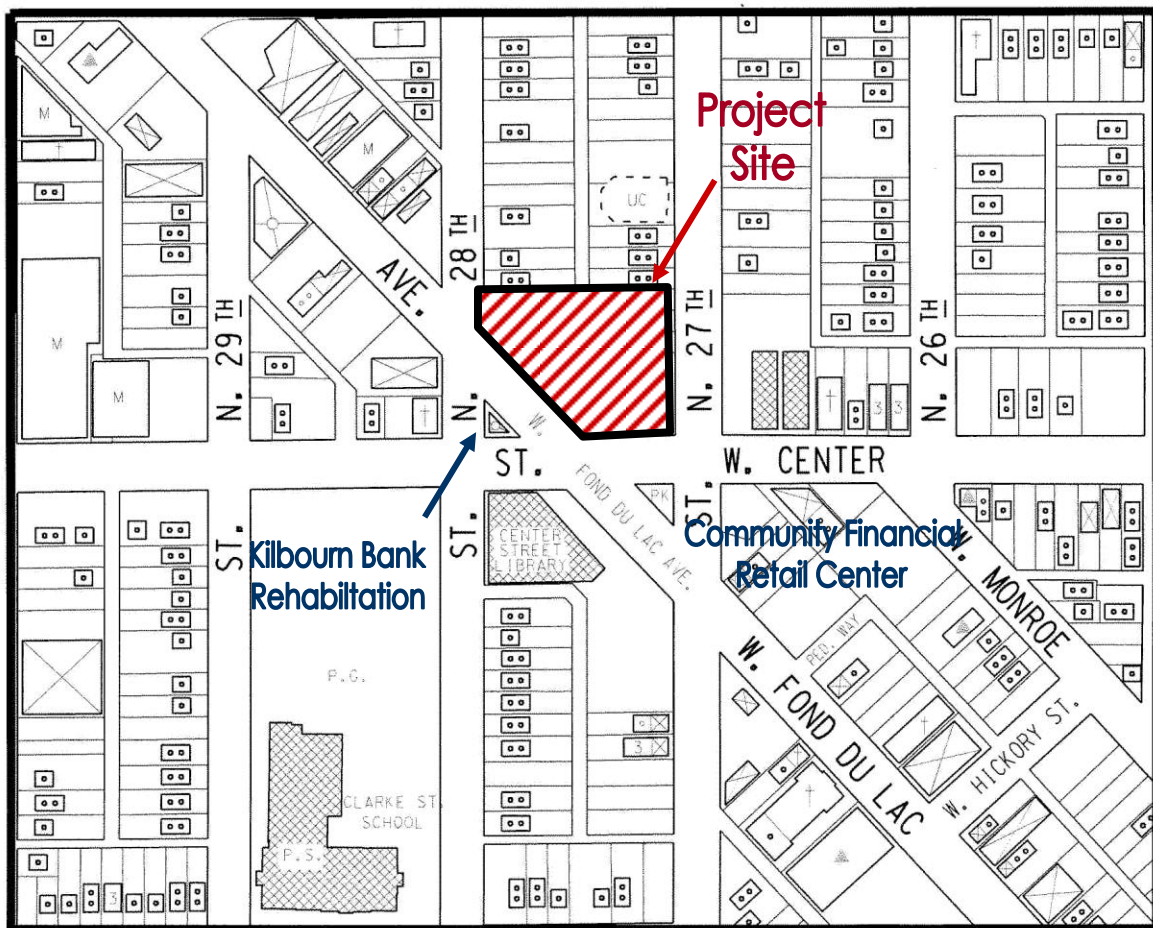
RESPONSIBLE STAFF

Jim Sayers, Development Team, 286-5723

Matt Haessly, Real Estate, 286-5736

REDEVELOPMENT PROJECT AREA

27th & Center Boundary: The project boundaries for the North 27th & West Center Street Project Area were adopted in 1989; however, a formal redevelopment plan was never prepared for this area. This intersection was identified as a catalytic development area in the Fond du Lac and North Neighborhood Plan and has attracted development interest with a new shopping center to be constructed shortly at the southwest corner by Community Financial Service Corporation and the rehabilitation of the Kilbourn Bank building by the Milwaukee Community Service Corporation.



PARCEL ADDRESSES & DESCRIPTION

2730-52 West Fond du Lac Avenue, 2702-10 and 2712-14 West Center Street, and 2717-27 North 27th Street: An assembled site containing approximately 41,355 square feet. The combined area is currently divided by an alley that may be vacated and rerouted to North 27th Street.

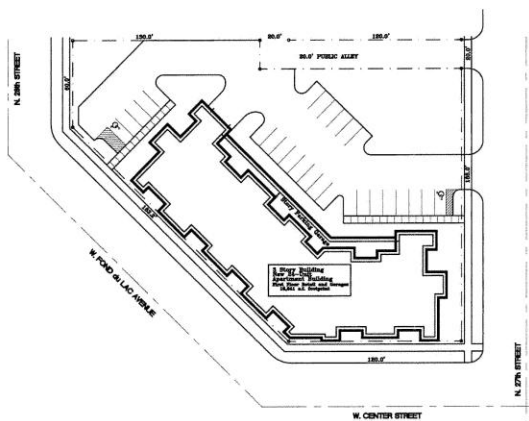
REDEVELOPER

Fond du Lac Center, LLC, a limited liability to be formed by Commonwealth Development Corporation of Fond du Lac, Wisconsin. Louie Lange, president of Commonwealth, will be the managing member of the new company. Commonwealth is currently developing the New

Village Townhouses, a 24-unit affordable housing initiative in the vicinity of 17th and Center Streets in Milwaukee. Mr. Lange has also developed over 100 units of affordable housing in Appleton and Plover, Wisconsin.

PROJECT DESCRIPTION

Construction of a three-story, 48,723 square-foot, mixed-use building. The building will have about 2,492 square feet of ground-floor commercial space and 24 two-bedroom rental apartments on the upper levels. Total project costs are estimated to be \$4.69 million and will be financed in part through federal housing tax credits from the Wisconsin Housing and Economic Development Authority (WHEDA). Tax credit applications are due to WHEDA in February 2006 and the Redeveloper needs to demonstrate site control for its application. Tax credit reservations will be awarded in April. The Redeveloper also expects to use equity and conventional debt. The Redeveloper is also targeting its Emerging Business Enterprise (EBE) Usage at 30% of the project budget.



Conceptual Site Plan and Elevations



Only conceptual plans have been submitted for tax-application purposes. The final design must conform to the City's urban design principals.

OPTION TERMS AND CONDITIONS

The gross purchase price will be \$40,000, or approximately \$1.00 per square foot of land area. A \$2,000, non-refundable Option Fee is required and shall be credited toward the purchase price if the Redeveloper closes prior to December 31, 2006. A \$4,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project.

The option periods correspond to WHEDA's tax credit schedule. The initial option is until February 15, 2006, to allow the Redeveloper time to submit an application to WHEDA for the federal housing tax credits. When the Redeveloper 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, 2006. If the Redeveloper requires additional time beyond December 31st to obtain financing or final plans, the Executive Director 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 is rejected by WHEDA at any point in the tax credit process or the Redeveloper fails to make the required submissions, the Executive Director may terminate the option.

At closing, the Authority will deduct direct sale expenses as well as a 25% development fee. The net proceeds will be returned to the City of Milwaukee for the Reserve for Tax Deficit Fund and to the Community Development Block Grant Office, which funded a portion of the site acquisition and property management.

In addition to the aforesaid terms, the sale will be further conditioned as required in the Redevelopment Authority resolution adopted on December 15, 2005, and in the Option to Purchase negotiated by the Authority and the Redeveloper.

PAST ACTIONS

The Redevelopment Authority held a public hearing on December 15, 2005, after which it conditionally accepted the Option to Purchase of the named Redeveloper.

FUTURE ACTIONS

Upon approval by the Common Council and any required approvals by regulatory bodies, the Redeveloper will apply to the Wisconsin Housing and Economic Development Authority for a 2006 tax credit allocation. Upon Redeveloper obtaining firm financing and approval of final plans, the Redevelopment Authority will enter into an Agreement for Sale and proceed to close in accordance with the terms and conditions expressed herein and contained in the resolution adopted by the Authority. The Redeveloper is also expected to apply to the City of Milwaukee for an alley vacation. If the alley is vacated and realigned, this action will allow the City to accept a quit claim deed to dedicate the new alley.