

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

DATE

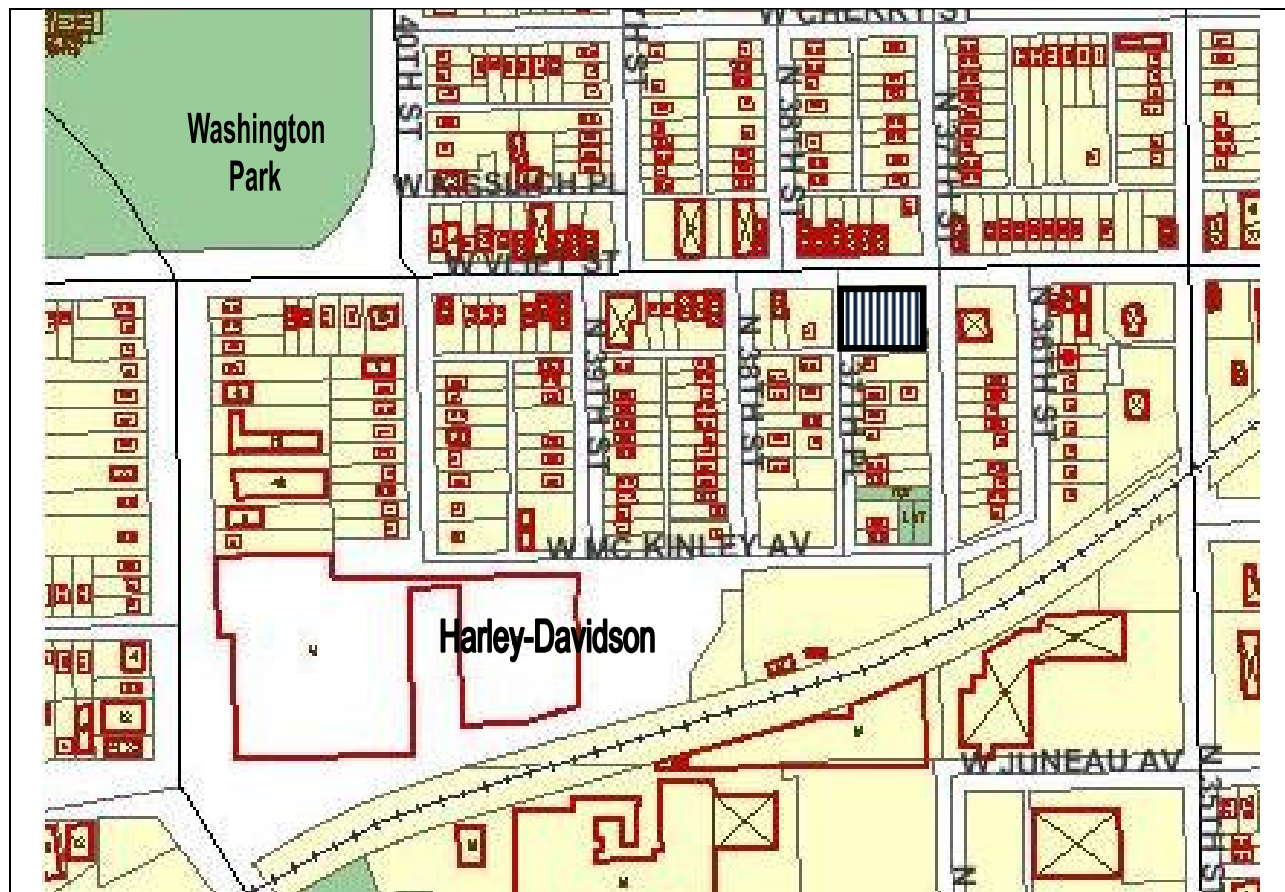
November 17, 2011

RESPONSIBLE STAFF

Elaine Miller, Real Estate Manager (286-5732)

REDEVELOPMENT PROJECT AREA

Blight Elimination/37th & Vliet: A redevelopment site was assembled in 2003 through the spot acquisition of three blighting mixed use buildings and adjoining City-owned vacant lots. The blight elimination efforts were conducted as part of the Harley Davidson Catalytic Project Area outlined in the Washington Park Neighborhood Plan.



RACM Parcel

PARCEL ADDRESSES & DESCRIPTION

3701 to 3717 West Vliet Street: Five contiguous vacant lots containing 18,737 SF of land area. The development site encompasses the full block face along Vliet Street between 37th Street and 37th Place with 156.14 feet of frontage. The site has depth of 120 feet to a rear alley that forms the southern border.

The site has some landscaping installed as part of the City's Healthy Neighborhood Initiative. Open space use was to be temporary until a development opportunity arose.

REDEVELOPER

United Methodist Children's Services of Wisconsin, Inc. (UMCS) in collaboration with the Hmong American Friendship Association (HAFA). A new limited liability company will be formed to take title to the property and develop the project.

UMCS, a non-profit corporation established in 1962 to assist pregnant teenagers, has refined its mission over the years and now provides a variety of family services and housing opportunities. UMCS has successfully developed over 54 units of affordable housing in the Washington Park Neighborhood including the Washington Park Apartments, UMCS Family Townhomes and UMCS Phase III currently under construction. Perry Huyck is Executive Director.

Hmong American Friendship is a non-profit organization founded in 1983 by Hmong refugees to help improve the quality of life for Hmong refugee families. The organization has grown to serve, not only Milwaukee's Hmong population, but also the community at large – with special emphasis in the Washington Park neighborhood. Services include translation and interpretation, citizenship classes and community advocacy for home repairs such as lead paint. Senior programs also encourage recreational activities and case management services. The organization has been a leader in establishing community gardens on the neighborhood.

PROJECT DESCRIPTION

Friendship Gardens, a mixed-used building containing up to 39 affordable housing units for senior residents. The project will also include 10,000 SF of ground-floor space for HAFA's offices and programs as well as space for a senior center. The building will be four stories with approximately 40,000 SF of gross area. Rezoning to Planned Development will be required to accommodate the planned density and a separate resolution is proceeding concurrently with the land sale authorization.



Estimated project costs are approximately \$6.4 million and will be financed primarily through federal affordable housing tax credits allocated by WHEDA. Additional assistance may be provided by Neighborhood Stabilization Funds.

UMCS has an outstanding record with Emerging Business Enterprise participation, contractor mentoring and hiring local residents. Estimated EBE participation for this project is targeted at 50% of the construction budget.

OPTION TERMS AND CONDITIONS

The purchase price will be \$30,000, or \$1.60 per SF. At closing, the Executive Director is authorized to make a price adjustment based on demonstrated financial infeasibility. A \$1,500 non-refundable Option Fee is required and shall be credited toward the purchase price if the Redeveloper closes during the initial option term. A \$3,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project.

The base option period is until December 31, 2012 to allow the Redeveloper time to apply in February 2012 to WHEDA tax credits. The period will also allow time after a WHEDA award is received in April to prepare final construction plans and obtain firm financing and equity. If the Redeveloper requires additional time beyond the base period, the Executive Director may extend the option for three three-month periods upon submission of a \$500 non-refundable renewal fee and satisfactory progress report on the project. In the event the project does not receive a 2012 tax credit allocation, the Executive Director may extend the base term until December 31, 2013 to allow a 2013 WHEDA tax-credit application. The Executive Director may also grant discretionary extensions due to environmental concerns, title problems or delays caused by the Redevelopment Authority or due to changes by WHEDA for the tax-credit program.

In addition to the aforesaid terms, the sale will be further conditioned as required in the Redevelopment Authority resolution adopted on November 17, 2011, and in the Option to Purchase to be negotiated by the Authority and the Redeveloper.

PAST ACTIONS

The Redevelopment Authority held a public hearing on November 17, 2011, after which it conditionally accepted the Option to Purchase of the named Redeveloper.

FUTURE ACTIONS

Redeveloper must obtain the required zoning approval, firm financing including WHEDA tax credits and equity investors, and approval of final construction prior to closing. The Redevelopment Authority will negotiate and execute an Agreement for Sale with the Redeveloper to outline the terms and conditions of the development, including reversion of title provisions in the event of non-performance.