

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

DATE

February 18, 2010

RESPONSIBLE STAFF

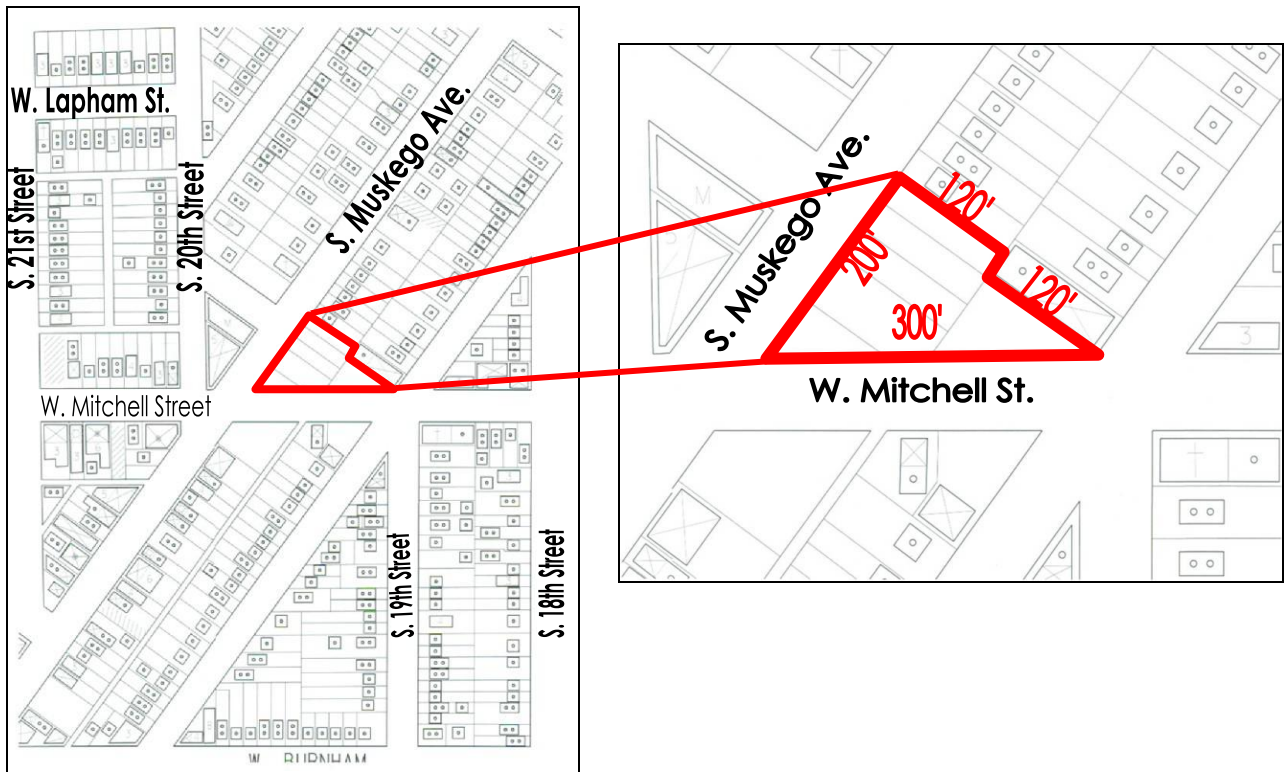
Matthew Haessly, Real Estate Section (286-5736)

REDEVELOPMENT PROJECT AREA

West Mitchell Street & South Muskego Avenue. The redevelopment area was created in 1990 to acquire one blighted property and assemble it with vacant City-owned tax deed lots to create a development site suitable for commercial and/or residential redevelopment.

PROPERTIES

1902-28 West Mitchell Street and 1664-74 South Muskego Avenue: Five contiguous lots with a combined area of approximately 24,500 SF. Phase II environmental testing was conducted in 2006 and revealed some environmental concerns. The Redeveloper is solely responsible for developing a Remedial Action Plan based on its proposed project. The Authority will convey the property in "as is, where is" condition.



REDEVELOPER

Mitchell Street Market Lofts, LLC, a limited liability company that will be formed primarily by Tina Anderson, Orlando Neal and Sherry Terrell-Webb -- three graduates of Marquette's Associates in Commercial Real Estate (ACRE) Program. Other owners include Robert Lemke and Todd Hutchison -- principals in Wisconsin Redevelopment, LLC -- who have completed a variety of urban community developments, such as Johnson Park Lofts, King Drive Commons I and II, Riverwalk Plaza and Columbia Square. Mr. Lemke also serves as an instructor for the ACRE Program and serves as a mentor. Wisconsin Redevelopment also has expertise in sustainable architecture and

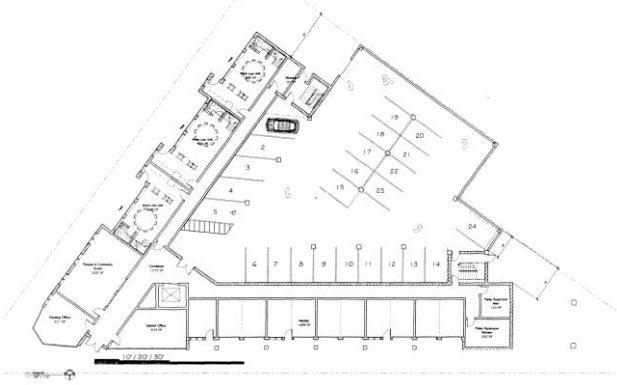
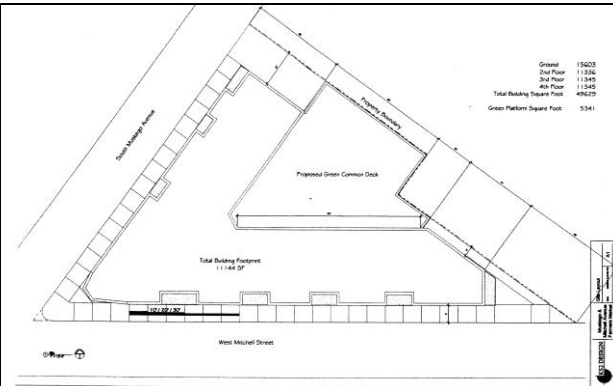
development, finance, tax credit investments, historic preservation, construction and supporting emerging businesses.

PROPOSED DEVELOPMENT

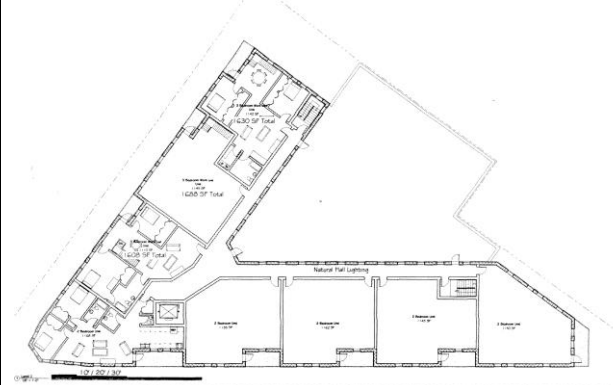
Mitchell Street Market Lofts, a four-story mixed-use building with 24-affordable apartments, including three live-work units and approximately 2,000 SF of commercial space. The apartments will be two or three-bedroom units ranging in size from about 1,100 SF to 1,600 SF. The building will have 24 indoor parking spaces. The total building area will be approximately 49,600 SF. The development also may include a 5,000 SF green roof above the indoor parking garage.



Conceptual elevation
Looking NE Muskego & Mitchell



First Floor



Upper Level

Total development costs are about \$5,500,000. The project will be financed in part through federal affordable housing tax credits allocated by WHEDA. Additional funding will be provided through conventional financing. The Redeveloper is committed to a strong EBE involvement and is aiming for 30% EBE participation.

OPTION TERMS AND CONDITIONS

The purchase price is \$110,250 and is based on land value, environmental condition and past environmental expenditures by the Authority. A \$2,800 non-refundable Option Fee is required within 10 days of Common Council approval and shall be credited toward the purchase price if the sale closes prior to December 31, 2010.

If the Redeveloper requires additional time to sell the tax credits or obtain firm financing or final plans, the Executive Director may extend the option until June 30, 2011, upon submission of a \$500 non-refundable renewal fee and a progress report on the efforts to obtain financing and plans.

Closing contingencies include Authority approval of final construction plans and firm financing. Prior to closing, an Agreement for Sale that provides for reversion of title in the event of non-performance will be negotiated with the Redeveloper. The Executive Director is authorized to grant a feasibility credit at closing based on demonstrated economic hardship. A \$10,000 Performance

Deposit must be submitted at closing and shall be held until satisfactory completion of the building. Sale expenses, including the Authority's 30% development fee, shall be deducted from the Purchase Price and the net proceeds shall be returned to the Community Development Grants Administration and the Reserve For Tax Deficit Fund.

In addition to the aforesaid terms, the sale will be further conditioned as required in the Redevelopment Authority resolution adopted on February 18, 2010, and in the Option to Purchase to be negotiated by the Authority and the Redeveloper.

PREVIOUS ACTIONS

In 2006, the Authority advertised the property in a Request for Proposal. One proposal was submitted, however, the Developer was unable to close the transaction.

Since 2007, the Authority has had seasonal license agreements with Growing Power, Inc. to occupy the site as the Mitchell Street Farmers Market. Previously, Milwaukee Alliance, Inc. had operated a farmer's market at the site.

FUTURE ACTIONS

Upon Council approval, the Redeveloper will apply for affordable housing tax credits or other affordable housing financing mechanisms provided by WHEDA. The Redeveloper also will obtain a Remedial Action Plan for DNR approval prior to closing and final construction plans and firm financing. Construction plans must be substantially similar to the conceptual drawings that the Redeveloper submitted to obtain the Option to Purchase or any major revision will require future Authority action. Once all project elements are in place, the Redevelopment Authority will enter into an Agreement for Sale with the Redeveloper and will proceed to close in accordance with the terms and conditions expressed herein and contained in the resolution adopted by the Authority.