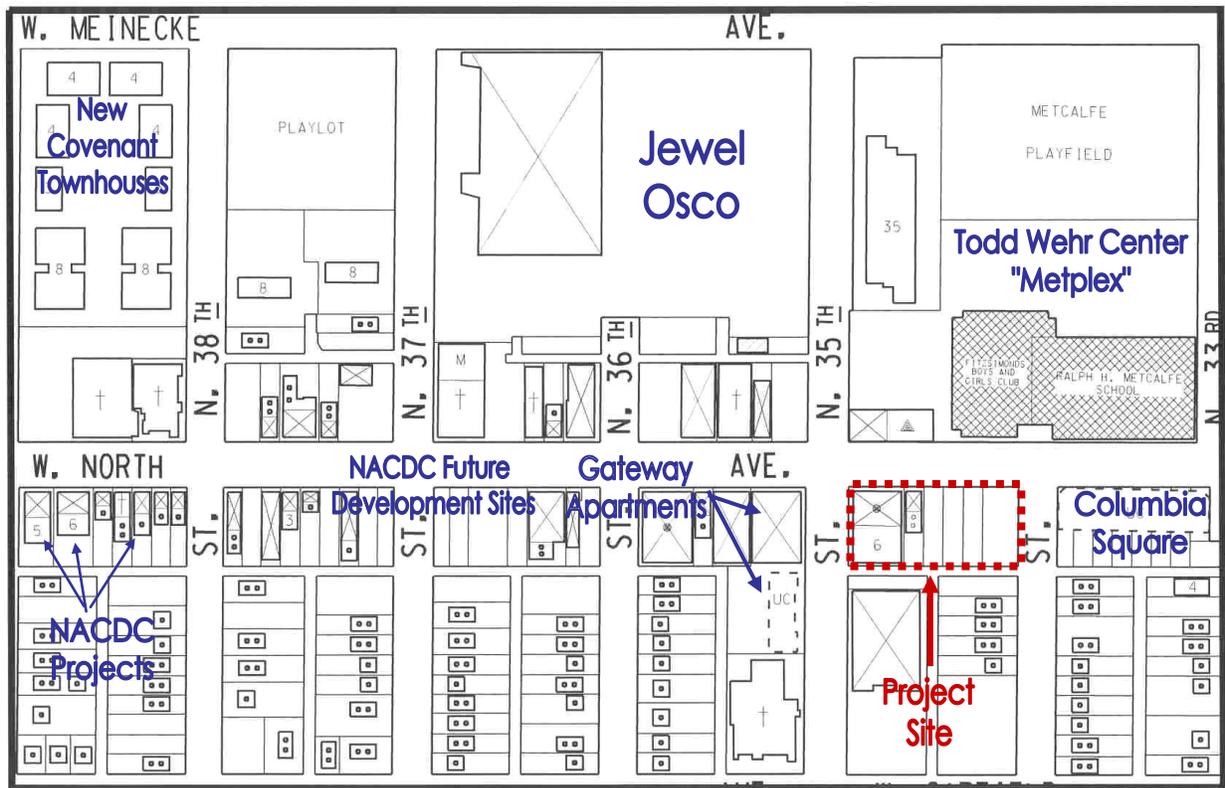


**LAND DISPOSITION REPORT
REDEVELOPMENT AUTHORITY
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE
January 20, 2005

REDEVELOPMENT PROJECT AREA

Blight Elimination/35th & North: The Redevelopment Authority authorized the blight designation and acquisition of two privately owned properties and the adjacent City-owned vacant lots in November 2001. The property at 3409-11 West North Avenue was acquired in December 2003 and the acquisition of the property at 3419-23 West North Avenue is in process. This area has seen significant redevelopment in the last five years including the Todd Wehr Center or "Metplex" that houses a MPS neighborhood school and a Boys and Girls Club, the Jewel Osco, New Covenant Housing Corporation's Gateway Apartments and Townhouses and Columbia Square, a mixed used building currently under construction.



REDEVELOPER

North Avenue Community Development Corporation (NACDC), a non-profit corporation created in 1999 to promote development in the North Avenue corridor from 31st to 39th Streets. Recent efforts include construction of Columbia Square, a mixed-use development in the 3300 Block of North Avenue and renovation of over 25,00 square feet of existing buildings at 3809, 3821 and 3829 West North Avenue. Damon Dorsey is Executive Director.

PARCEL ADDRESSES & DESCRIPTION

3401-3409 and 3417-23 West North Avenue: The Authority's lots comprise 17,220 square feet and will be assembled with NACDC's adjacent properties to create a 30,840-square foot development site at the Southeast corner of 35th Street and North Avenue. This corner is key to NACDC's Gateway Redevelopment District. This site is in the Fond du Lac and Washington Park Planning Areas as well as in Tax Incremental District #40 and Business Improvement District #28.

PROJECT DESCRIPTION

The Toussaint Square will be a \$5.3 million mixed-use development incorporating 28,000 square feet of new construction in a three-story building at the corner of 34th & North with rehabilitation of the existing "House of Blues" building at the corner of 35th & North. The building will have 14,000 square feet of ground-floor retail space and 23 rental apartments on the upper levels – 19 two-bedroom units and four three-bedroom apartments. The Redeveloper plans to incorporate "green" construction in both the new construction and rehabilitation.



The commercial area will provide space for up to five retail businesses, which are expected to create 20 to 25 new jobs. NACDC is targeting 40% of the construction costs to Milwaukee-based firms and 60% of the construction jobs to residents of NACDC's target area.

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 2005 and the redeveloper needs to demonstrate site control for its application. Tax credit reservations will be awarded in April. Additional funding will be provided through conventional financing and from the Local Initiatives Support Corporation.

OPTION TERMS AND CONDITIONS

The gross purchase price will be \$50,000, but a credit of \$40,000 will be granted for consideration of NACDC demolishing the property being acquired by the Authority and for financial feasibility reasons. The net price of \$10,000 will cover the Authority's administrative expenses. A \$500, non-refundable Option Fee is required and shall not 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.

The option periods correspond to WHEDA's tax credit schedule. The initial option is until February 15, 2005, 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, 2005. 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.

In addition to the aforementioned terms, the sale will be further conditioned as required in the Redevelopment Authority resolution adopted on January 20, 2005, and in the Option to Purchase negotiated by the Authority and the Redeveloper.

PAST ACTIONS

The Redevelopment Authority held a public hearing on January 20, 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 2005 tax credit allocation. Upon the 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.

Respectfully submitted,

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE**

Joel T. Brennan
Assistant Executive Director-Secretary