

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

DATE

January 9, 2014

RESPONSIBLE STAFF

Karen Taylor, In-Rem Property Disposition Manager

BUYER

Gorman & Company, Inc., a firm founded by Gary J. Gorman in 1984 to develop, syndicate and manage multi-family housing properties throughout Wisconsin. Gorman has completed a variety of urban community developments in Milwaukee, including several that have used Low Income Housing Tax Credits (LIHTC) to renovate scattered site in-rem properties purchased from the City of Milwaukee.

SCATTERED SITE HOUSING REHABILITATION

Gorman submitted an unsolicited offer to purchase up to 120 units of scattered site, tax-deed, single-family and duplex houses for three WHEDA tax credit applications.

Seven duplexes, twenty-six single-family houses and one four-family will be part of Gorman's tax credit application for the Century City Homeowners Initiative. Six duplexes, twenty-seven single-family houses and one four-family will be part of the Franklin Heights Homeowners Initiative. Eleven duplexes, twenty-two single-family houses and one four-family will be part of the Sherman Park Homeowners Initiative. The estimated total project cost for the three initiatives is approximately \$27.35 million.

Century City

#	<u>Address</u>
	<u>Fourplex</u>
1	2931 W Capitol Dr
	<u>Duplexes</u>
2	2670 A&B N 9th St
3	2836-38 N 12th St
4	2855-57 N 12th St
	<u>Single-Family</u>
5	3342-A N 21st St
6	2964 N 24th St
7	2911 N 25th St
8	3133 N 25th St
9	3245 N 25th St
10	3547 N 25th St
11	3017-19 N 26th St
12	3233-35 N 26th St
13	3260 N 26th St

Franklin Heights

#	<u>Address</u>
	<u>Fourplex</u>
1	1984 W Congress
	<u>Duplexes</u>
2	3224-26 N 21st St
3	3329-31 N 24th Pl
4	2874-76 N 29th St
	<u>Single-Family</u>
5	3347 N 20th St
6	3200 N 21st St
7	3327 N 21st St
8	3636 N 21st St
9	3841 N 21st St
10	3030 N 23rd St
11	3419 N 23rd St
12	2969 N 24th Pl
13	3316-18 N 24th Pl

Sherman Park

#	<u>Address</u>
	<u>Fourplex</u>
1	2453 W Auer Ave
	<u>Duplexes</u>
2	2743-45 N 34th St
3	2751-53 N 39th St
4	2740 N 41st St
	<u>Single-Family</u>
5	3171-73 N 33rd St
6	3223 N 33rd St
7	3147 N 34th St
8	3200 N 34th St
9	3268 N 34th St
10	2530 N 36th St
11	2639-41 N 36th St
12	2656 N 36th St
13	2833 N 36th St

14	3387 N 26th St	14	3338 N 24th Pl	14	3239 N 36th St
15	3312 N 26th St	15	3431 N 24th Pl	15	2563 N 37th St
16	3619 N 26th St	16	3538-40 N 24th Pl	16	2669 N 37th St
17	3631 N 26th St	17	3018 N 24th St	17	2740 N 37th St
18	3635 N 26th St	18	3342 N 24th St	18	2408-10 N 39th St
19	3754 N 26th St	19	3399 N 24th St	19	2713-15 N 39th St
20	3058 N 29th St	20	3363 N 25th St	20	2724 N 39th St
21	3151 N 29th St	21	3532 N 25th St	21	2709 N 40th St
22	2842 N 27th St	22	3627 N 25th St	22	2934 N 40th St
23	2937 N 27th St	23	3140 N 28th St	23	3167-69 N 40th St
24	3116-18 N 28th St	24	3205 N 29th St	24	2646 N 41st St
25	3268 N 28th St	25	3154 N 29th St	25	3139 N 42nd St
26	2951 N 29th St	26	3247 N 29th St	26	3712 W Clarke St
27	3360 N 29th St	27	2913-15 N 29th St	27	1926-28 N 26th St
28	3237 N 29th St	28	2460 W Concordia Ave	28	2433 N 29th St
29	2960 N 30th St	29	2124 W Keefe Ave	29	2526 A&B N 29th St
30	3204 N 33rd St	30	2480 W Burleigh	30	2645 N 29th St
31	1329 W Center St	31	2408 W Burleigh	31	2515 N 34th Street
32	2750 N 10th St	32	2912 W Burleigh	32	2501 N 34th Street
33	2854 N 11th St	33	2140 West Auer Ave	33	2835 W Wright
34	2737-39 N 12th St	34	3551 N 10th St	34	3705-07 W Sarnow

EBE participation is projected to be 25% and professional services are projected to be 18% for all three projects.

OPTION TERMS AND CONDITIONS

The City houses will be sold for \$5,000 per structure. At closing, the Department of City Development's (DCD) Commissioner is authorized to make a price adjustment of up to \$4,999 per structure based on demonstrated financial infeasibility.

Option Fee: \$1,500 non-refundable fee. The fee must be submitted within 10 days of Common Council approval and shall be credited toward the purchase price if the Buyer closes on or before December 31, 2014.

Performance Deposit: A \$3,000 Performance Deposit shall be submitted at closing and shall be held until satisfactory completion of the project.

Option Terms: The base option period is for six months to allow the Buyer time in January 2014 to apply to WHEDA for LIHTC. The period also will allow time after a WHEDA award is received to prepare final rehabilitation plans and obtain firm financing and equity. If the Buyer requires additional time beyond the base period, the Commissioner of DCD 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 2014 tax-credit allocation, the Commissioner of DCD may terminate the City's agreement with the Buyer.

FUTURE ACTIONS

After receipt of a tax-credit allocation, the Buyer must obtain a firm commitment from the equity investor, other financing, as needed, and approval of final construction plans or rehabilitation scopes of work prior to closing for each component. DCD will negotiate and execute an Agreement for Sale with the Buyer to outline the terms and conditions of the development, including reversion of title provisions in the event of non-performance.