

LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

RESPONSIBLE STAFF

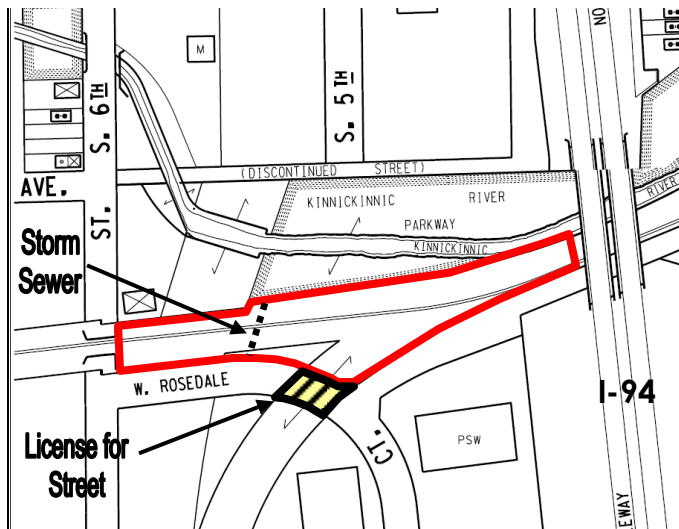
Dan Casanova, DCD Development Team (286-5921)

PROPERTY

2801 (R) South 5th Court and part of 2744 (Adj.) South 6th Street: Acquired in 2003 from the Union Pacific Railroad for the Kinnickinnic River Bike Trail.

520 West Rosedale Avenue: Acquired in 2006 through In-Rem foreclosure

The total site is approximately 116,000 SF. The site is encumbered with an 84-inch storm sewer and portions of street that exist by license and need to be dedicated as public right-of-way.



BUYER

Cardinal Capital Management, Inc. ("Cardinal"). Cardinal has vast experience building multi-family special needs and affordable housing in Wisconsin, Iowa and Arizona. It currently manages over 1,000 units of affordable housing, including three properties in Milwaukee (Cleveland Terrace, Main Street Gardens and McKinley Gardens). It recently completed Water Tower View apartments in Greenfield, WI, housing for deaf senior citizens. In partnership with United Christian Church, Cardinal Capital is currently constructing an affordable 24-unit supportive housing development on land at 25th/Center purchased from the City, with occupancy anticipated in summer 2008. The project proposed at the 6th/Rosedale site is a partnership involving the developer, Our Space, Inc. and the Milwaukee chapter of the American Red Cross.

PROPERTY USE

Construction of multi-family housing dedicated to the care of chronically mentally ill adults. The project will include supportive services to assist the residents in their ongoing recovery efforts. A 2-3 story building will contain 48 residential units. Associated surface parking and landscaping also will be included. A public bike trail will be created along the north property line to connect the future Kinnickinnic River Bike Trail. A Development Agreement will be entered into requiring the Buyer to build and maintain the segment of the bike trail that runs through this property, a public access easement will be entered into to provide public access along the trail and to the river and a conservation easement for the eastern half of the site.

The project will create 5 full-time jobs paying an average wage of \$15/hour. Estimated project costs are approximately \$2 million (fully taxable) and Cardinal will meet or exceed the City's 21% EBE requirement for the full project.



Preliminary Site Plan



Preliminary Elevation

OFFER TERMS AND CONDITIONS

The property will be sold for \$10,000. The Buyer will not need to reimburse the Congestion Mitigation and Air Quality (CMAQ) funds that were used to acquire the bike trail since the site will contain the intended bike trail. Buyer will be required to share equally in the recommended Phase II environmental testing. A \$500 Earnest Money Deposit will be required upon acceptance by Council and will be credited toward the purchase price or performance deposit. Conveyance will be on an "as is, where-is" basis and will be subject to the public access easement, sewer easement, possible sewer easements to the County and MMSD and the rights of any billboards on the Property. The property will be fully taxable and the deed will include a restriction ensuring full taxation as required by City ordinance.

The Purchase and Sale Agreement will be executed by the Buyer and the Commissioner of DCD or designee upon Common Council approval. The offer term will be six months commencing with Council approval and closing is contingent on DCD approval of final construction plans and firm financing. Although the Buyer expects to start construction in spring 2008, one three-month closing extension may be granted by the Commissioner of DCD upon submission of a \$500 non-refundable renewal fee and satisfactory progress report on the project. The Agreement will include reversion of title provisions in the event of default by the Buyer. A \$5,000 performance deposit shall be submitted at closing and shall be held until satisfactory completion of the project.

At or before closing, DCD and the Department of Public works will prepare the necessary maps, legal descriptions and legal documents to dedicate public right-of-way for Rosedale, to provide for the existing 84-inch storm sewer that crosses the site and to provide for public access for the bike trail. The Commissioner of DPW is authorized to execute and accept these easements and dedications on behalf of the City.