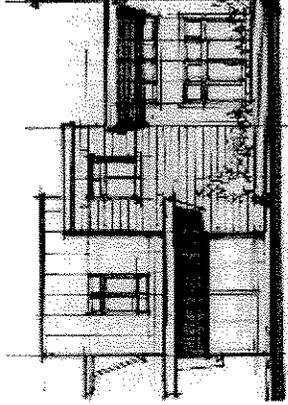

JOHNSON PARK



APARTMENT HOMES



A MILWAUKEE NEIGHBORHOOD THREE PRONG HOUSING DEVELOPMENT
AFFORDABLE HOUSING WITH HOMEOWNERSHIP / ECONOMIC DEVELOPMENT / SUSTAINABLE DEVELOPMENT

BY
WISCONSIN REDEVELOPMENT, INC.



NOVEMBER 2006

JOHNSON PARK



APARTMENT HOMES

1. PROJECT LOCATION

The proposed site is located at 1922 To 1938 West Fond Du Lac Avenue in the 15th Aldermanic District. The site is determined to be approximately 41,380 square feet. (Including sites located at 1905 to 1923 W. Monroe Street).

2. DEVELOPMENT PROPOSAL

The proposed development is the second phase of the highly successful Johnson Park Lofts project. On the West Fond Du Lac properties, it will consist of 24 units of condominium quality apartment homes with up to eight units having first floor separate entries and ground floor "Live/Work" spaces. All units will have at least two parking spaces with a minimum of one interior attached space. It is proposed that each unit will be approximately 1200 to 1500 square feet and include two bedrooms with up to eight of the units having the additional "Live/Work" rooms on the ground floor. The design will incorporate compact, connected, sustainable / LEED design features and utilize modern architectural design concepts, yet keep in the scale of the surrounding neighborhood. The Johnson Park Lofts project is a 6 story building and this second phase will be 3-4 stories in height. (see attached sketch). Each unit will have their own dedicated private balcony. The initial phase of the development will be quality and affordable rental housing in order to utilize 100% private sector equity. There will be substantial efforts to provide onsite services that are complimentary to the Johnson Park Lofts services, property management will be combined, well thought out security systems will be fully integrated, and an additional onsite community room will be provided for residents. In year 15, the project will start the process of selling the units to homeowners (targeting first current renters). This development will ensure that resident displacement does not occur and present renters will be given unique financial opportunities to purchase their respective units.

On the West Monroe Street Properties, Wisconsin Redevelopment plans to remove the existing blighted homes and rebuild new single family or townhome style homes at the conclusion of the Apartment development. This "3rd phase" of the development is being done to clean up the surrounding sites and provide for a more secure and successful long-term project.

3. HOME OWNERSHIP

Wisconsin Redevelopment has created a homeownership plan that will enhance resident stability and provide a financial incentive for all renters to be long term and concerned tenants. Each year that a resident resides in the Johnson Park Apartments the resident will receive a \$500 credit toward a future down payment on the sale of the apartment home to the resident renter. This could amount to a \$7500 down payment credit. Each apartment home will be sold at a price affordable to Milwaukee residents whose income is at 80% of the median Milwaukee income at the time the properties are able to be sold.

4. EQUITY INVESTOR

To be determined.

5. LEED AND SUSTAINABLE DESIGN

Wisconsin Redevelopment is a proponent of sustainable design and construction. Robert Lemke is an Accredited LEED Professional, and one of the only Wisconsin developers to achieve this designation. Past Wisconsin Redevelopment projects that have used sustainable design practices include King Drive Commons and Manitowoc Place. King Commons was featured by Enterprise in a national video to developers highlighting and demonstrating the benefits of sustainable design for communities, neighborhoods, developers, and most importantly development residents. An outline of sustainable design and construction features that are to be incorporated into Johnson Park Apartments include:

- A. Reduce storm water run off rates
- B. Design permanent erosion and sediment control
- C. Incorporate compact development
- D. Housing design diversity
- E. Usage of green building materials
- F. Selection of low or no VOC's materials
- G. Usage of materials with recycling content
- H. Enhanced energy efficiency in buildings
- I. Incorporate regional materials
- J. Enhance water efficiency in buildings
- K. Utilize permeable paving materials
- L. Minimize landscape water demand
- M. Incorporate rainwater harvesting
- N. Utilize contamination control during construction
- O. Develop homeowner education
- P. Utilize Efficient structural framing
- Q. Select Energy Star mechanical equipment

6. PROPERTY MANAGEMENT

Wisconsin Redevelopment is a local developer which will provide immediate property management oversight throughout the development life. An onsite property manager will be part of the development proposal which will allow any property management issues to be addressed in short order.

7. OTHER NEIGHBORHOOD DEVELOPMENTS

In 2005-6 Wisconsin Redevelopment completed Johnson Park Lofts. The Johnson Park Lofts development was a direct response to the Fond du Lac and North neighborhood plan. The development of Johnson Park Lofts has improved neighborhood security, increased neighborhood development momentum, and enhanced the living options for building residents (see letters). Johnson Park Lofts was leased up in three months and has redefined urban loft living. Wisconsin Redevelopment maintains active day to day management oversight, a waiting list, has encouraged resident involvement in the neighborhood, and the creation of an internal resident council. (See Team Resumes in Appendix for other Wisconsin Redevelopment neighborhood development activities)

PROPOSED DEVELOPMENT TIMELINE

NOVEMBER 2006

The following is the proposed development schedule. There may be some adjustments on some dates. However, discipline will be needed knowing that the occupancy requirements of the targeted tenants.

<u>TASK</u>	<u>PROPOSED DATE</u>
1. Secure option to purchase private property	Completed
2. Seek community support for development and team.	UNDERWAY
3. Determine building layout and finalize building code issues.	UNDERWAY
4. Commence preliminary designs.	UNDERWAY
5. Receive land option from Department of City Development.	UNDERWAY
6. Negotiate with financial participants for required financing commitments.	UNDERWAY
7. Complete preliminary financial forecasts.	UNDERWAY
8. Submit WHEDA application	January 2007
9. Finalize all necessary financial commitments.	July 2007
10. Close on property sale.	July 2007
11. Commence construction.	August 2007
12. Complete Construction.	April 2008
13. Commence lease up.	May 2008
14. All units leased up.	August 2008
15. Start Initial sale of all residential units.	September 2023

PROPOSED DEVELOPMENT TEAM

NOVEMBER 2006

DEVELOPERS..... WISCONSIN REDEVELOPMENT & TBD
PROPOSED OWNERSHIP JOHNSON PARK APARTMENTS, LLC (To be formed)
ARCHITECT..... MILLER ARCHITECTURAL GROUP
CONTRACTOR..... UNIVERSAL CONSTRUCTION SOLUTIONS
LEGAL COUNSEL.....REINHART, BOERNER, SC
PROPERTY MANAGER.....TBD
ACCOUNTING.....SUBY VON HADEN AND ASSOCIATES
DEVELOPMENT CONSULTANT.....NICOLE ROBBERN
TAX CREDIT INVESTOR.....TBD
PROPOSED FINANCING.....TAX CREDIT EQUITY, AND CONVENTIONAL BANK FINANCING

SUMMARY OF PROPOSED DEVELOPMENT FINANCING

JUNE 2006

FINANCIAL ASSUMPTIONS MAY VARY SLIGHTLY WHEN DESIGNS AND ASSOCIATED DEVELOPMENT COSTS ARE VERIFIED

TOTAL COSTS	\$4,734,000
TOTAL BUILDING SQ. FT.	38,000
NUMBER OF FLOORS	4 story with first floor live/work two story units
EXPECTED LOAN INTEREST RATE	8.0%
EXPECTED LOAN AMOUNT	\$700,000
EXPECTED LOAN AMORTIZATION	30 YEARS
EXPECTED LOAN TERM	15 YEARS
TOTAL EXPECTED TAX CREDIT	\$4,500,000
EXPECTED EQUITY RAISED	\$4,000,000
EXPECTED CITY OF MILWAUKEE YEAR 1 PROPERTY TAXES	\$16,625
LAND ACQUISITION PRICE	\$35,000
PROPOSED NUMBER OF UNITS	24
PROPOSED COMMON AREA COMMUNITY SUPPORT SPACE	1000 SQUARE FEET
LAND SQUARE FOOTAGE	41,380 square feet total including privately owned land