

**BLIGHT DESIGNATION SUMMARY AND LAND DISPOSITION REPORT
REDEVELOPMENT AUTHORITY
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE

January 18, 2007

RESPONSIBLE STAFF

James Sayers, Development Manager

PROPOSED ACTION

Declare four City-owned properties blighted pursuant to Chapter 66.1333, Wisconsin Statutes for acquisition by the Redevelopment Authority. This action will permit the City to assign and the Redevelopment Authority to accept the Option to Purchase.

REDEVELOPMENT PROJECT AREA

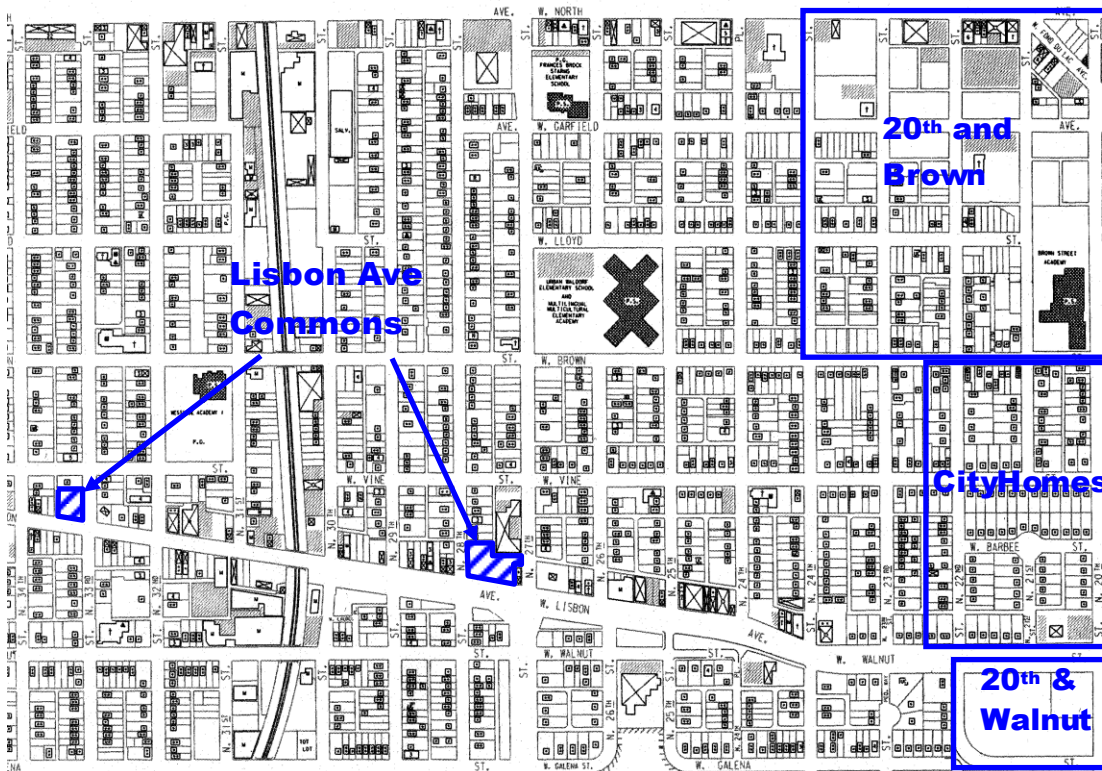
The "North 27th Street - West Lisbon Avenue Redevelopment Project Area" ("the Plan") was adopted by the Common Council in 1984 and is in effect until May 15, 2009. The proposed redevelopment will build commercial and residential space, and is consistent with the Plan.

REDEVELOPER

Lisbon Avenue Commons, LLC is a joint venture between the Commonwealth Companies and the Dorsey Group. Commonwealth developed the 24-unit "New Village" development at North 17th and West Center Streets and recently started construction at "Fond du Lac Center," a 24-unit mixed-use development at the corners of West Fond du Lac Avenue, West Center Street, and North 27th Street. Damon Dorsey was formerly the Executive Director of North Avenue CDC where he oversaw Columbia Square and Touissant Square, two mixed-use projects on West North Avenue. Mr. Dorsey recently formed The Dorsey Group.

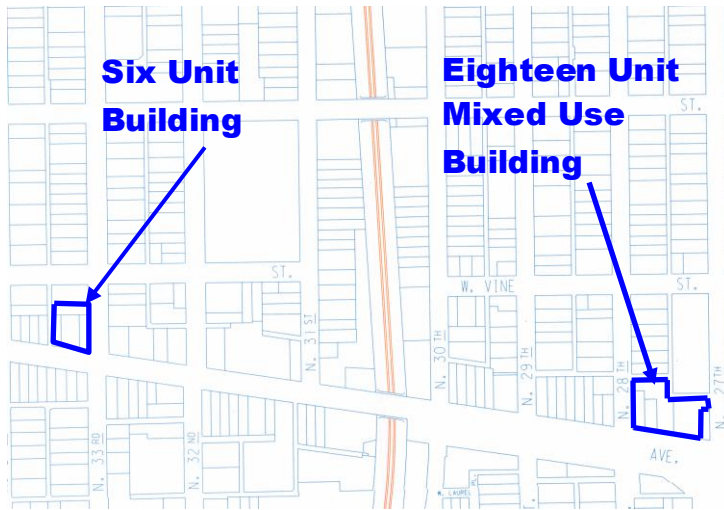
PARCEL ADDRESSES & DESCRIPTION

The Redeveloper will buy the Redevelopment Authority-owned properties at 2704-12, 2716, 2724-28, and 2730-32 West Lisbon Avenue. 2716 West Lisbon is a City parking lot, and the other parcels are vacant land. 3300-02, 3304-12, and 3316 West Lisbon Avenue, along with 1815 North 33rd Street, are vacant land owned by the City of Milwaukee. The Redevelopment Authority is declaring the City-owned properties as blighted and in need of renewal, and will accept these parcels from the City and then convey them to the Redeveloper.



Lisbon Avenue Commons will be built in an area that has seen significant RACM activity including CityHomes, 20th & Brown, 20th & Walnut, and Lindsay Heights.

PROJECT DESCRIPTION



The developer will build two buildings. One at 27th and Lisbon will have approximately 5000 square feet of commercial space on the first floor and 18 apartments (sixteen 2 bedroom and two 3 bedroom) on the second and third floors. Roughly half of the first floor commercial will be leased to a local business (yet to be named,) and the balance will be common areas for the residents. The common area will include a media room, an exercise facility, and a space for residents' meetings and gatherings.

A second residential-only building will be built at the 33rd and Lisbon site. The smaller building will be six 3-bedroom townhouse units. Residents at 33rd and Lisbon will have access to the common area at 27th and Lisbon. An artist's rendering of the two buildings and a site plan are attached to the last pages of this report.

The buildings' apartments will be approximately 1200 square feet each, with 1 bath and a full appliance package including dishwasher, microwave, central air conditioning, and washer/dryer. Each unit will have a garage and there will be additional surface parking for residents and their guests. Rents will vary by income, ranging from approximately \$360 to \$695 per month. Management services will be through the Friends of Housing Corporation. Friends of Housing manages over 1200 rental units and has an excellent reputation.

House of Fades is a beauty shop located 2700-02 West Lisbon. This business currently uses the parking lot at 2716 West Lisbon. The Redeveloper will provide 10 to 12 public parking spaces behind House of Fades, whose owners have indicated support this redevelopment.

The estimated construction cost for both sites is \$4.6 million. The building designs have been conditionally approved by Department of City Development planning staff.

EMERGING BUSINESS ENTERPRISE COMMITMENT AND AGREEMENT

The redeveloper will sign an Emerging Business Enterprise (EBE) Agreement with the City of Milwaukee that will commit to at least 18% EBE participation, with a goal of 30%. Commonwealth reached 32% EBE participation in the New Village project and is scheduled to exceed 30% at Fond du Lac Center. North Avenue CDC surpassed 30% EBE at Columbia Square and Touissant Square.

Upon approval by the Common Council, the Executive Director is authorized to sign an Emerging Business Enterprise (EBE) Agreement on behalf of the City of Milwaukee.

OPTION TERMS AND CONDITIONS

The sale price of the parcels is \$48,000, which will be conveyed by limited warranty deed. A \$500 non-refundable Option Fee is required and shall be credited toward the purchase price if the Redeveloper closes within the initial option period. A \$5,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project. Construction is expected to start in October, 2007 with completion by Spring, 2008. The option period corresponds to WHEDA's tax credit schedule and will extend until December 31, 2007. 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. 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.

Closing shall occur after the Common Council approves this Land Disposition Report and after the Redeveloper submits acceptable final plans, specifications and proof of financing. RACM will deduct a 25% development fee from the gross sale proceeds. There is no brokerage fee.

PAST ACTIONS

The Redevelopment Authority held a public hearing on January 18, 2007 after which it conditionally accepted the Option to Purchase of the named Redeveloper.

FUTURE ACTIONS

Upon approval of this Report by the Common Council, 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.

MIXED-USE BUILDING AT 28TH AND LISBON

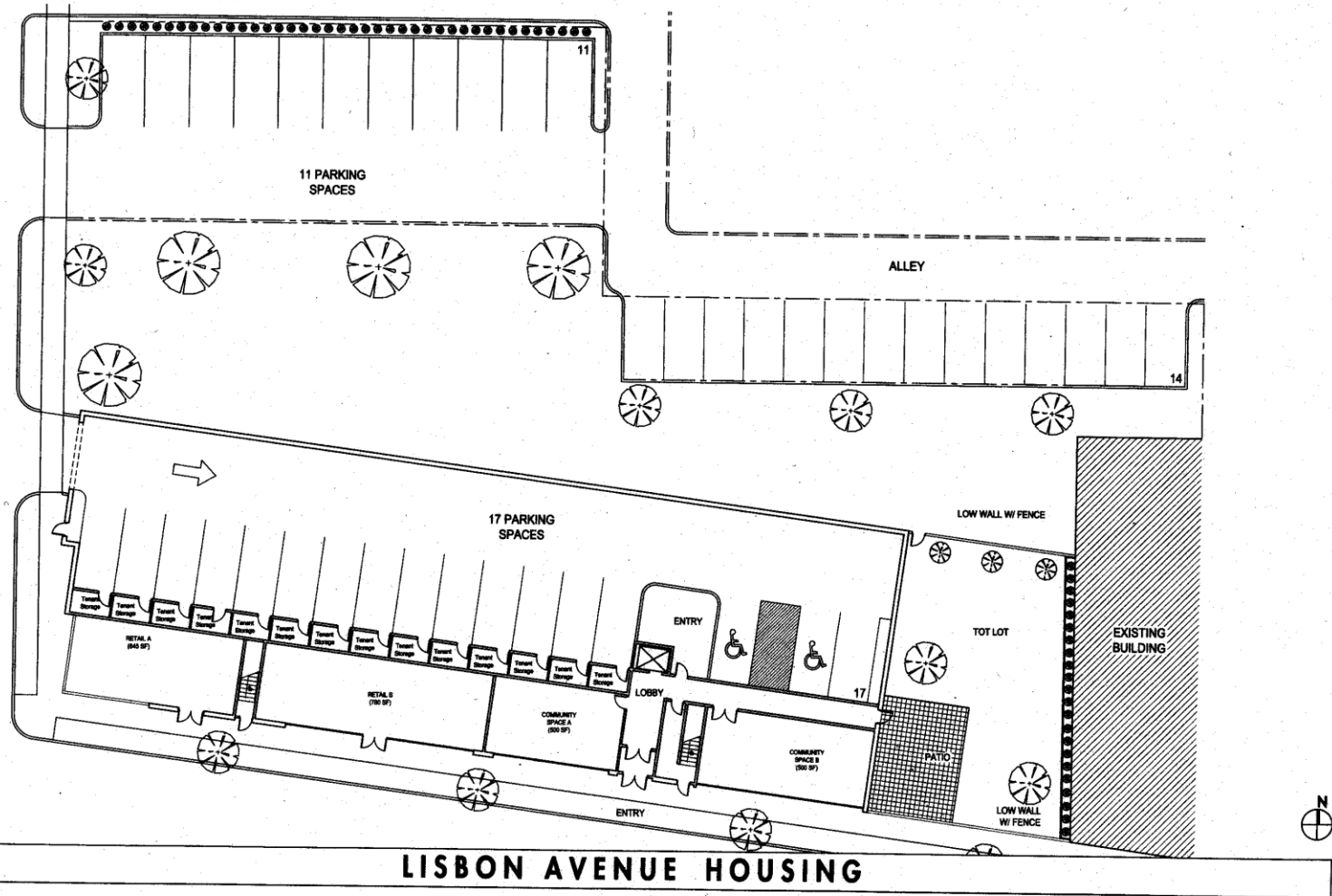


12-5-06

LEWIS HOUSING - MAIN ELEV - 2

EADP

1" = 20'-0"



LISBON AVENUE HOUSING

First Floor Plan - Option A
 EADP Project No. P206

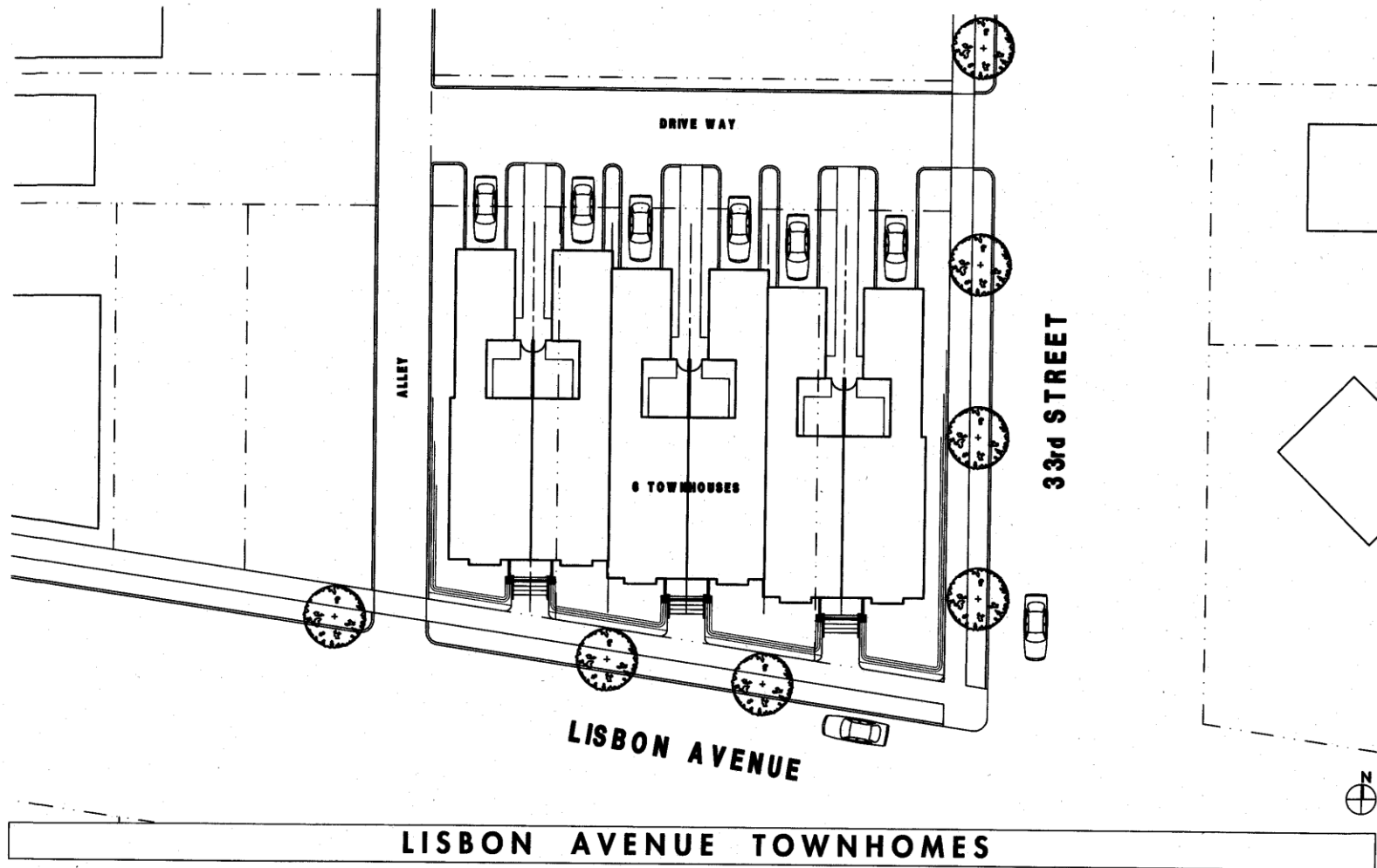
Engberg Anderson  Design Partnership, Inc.

Scale: 1" = 20'-0"
 December 13, 2006

TOWN HOUSE BUILDING AT 33RD AND LISBON



LISBON AVENUE STREET ELEVATION
1/8" = 1'-0"



Proposed Site Plan
 EADP Project No. P206

Engberg Anderson  Design Partnership, Inc.

Scale: 1" = 20'-0"
 December 11, 2006