

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

DATE

May 20, 2004

REDEVELOPMENT PROJECT AREA

The Park West Area "F" project was approved in 1984. It guided redevelopment of the Area, which was cleared for the Park West freeway in 1968-70. The freeway was never built. The Redevelopment Authority is concurrently considering a plan amendment that will permit a land use change in Area "F."

TAX INCREMENTAL DISTRICT (TID)

Josey Heights is contained within TID #44. An amendment to TID #44, which will provide funds for public improvements associated with the project, is concurrently being considered.

BACKGROUND

Staff issued a Request for Proposal to develop "Josey Heights" a part of Area "F" bounded by North 12th Street, West Lloyd Street, North 14th Street, and West Brown Street. Seven proposals were received in January 2004. A team of three staff and one neighborhood representative reviewed the proposals and interviewed the top four candidates. The team also toured a subdivision and a condominium development that were developed by the proposed Redevelopers.

REDEVELOPER

Josey Heights Partners LLC is a joint venture that will purchase and develop the site. The development team (along with their respective responsibilities) is:

- KMA Property Development LLC (comprised of Jeff & Gaurie Rodman Investments and Solochek Investments): will oversee the project. Jeff and Gaurie Rodman are the project managers. They are currently developing the Riverview Condominiums on former RACM land on East Locust Street.
- ASI General, Inc.: will be the construction manager and builder. ASI developed and built the Lafayette Hill Condominiums on East Lafayette Street, formerly a City of Milwaukee parking lot. ASI was involved with other City of Milwaukee projects such as the Hawley Ridge Apartments and a major remodeling at the Central Branch of the Milwaukee Public Library.
- Planning and Design Institute, Inc.: is the project architect. PDI worked with the City of Milwaukee on projects such as CityHomes, Highland Park (a Housing Authority Hope VI development,) and the Lindsay Heights redevelopment study.
- Hurtado Consulting: will assist in meeting the Emerging Business Enterprise (EBE) goals.
- George Calaway (of Shorewest Realtors): will be responsible for marketing and sales.

PARCEL ADDRESSES & DESCRIPTION

1243 West Lloyd Street comprises the majority of the development site, which is approximately three city blocks, containing 7.3 acres. The City of Milwaukee owns the 1243 West Lloyd Street, but the Park West "F" plan amendment will permit the City to donate the land to the Authority for residential redevelopment.

Contained within 1243 West Lloyd Street is a 33' X 130' parcel that was inadvertently excluded from the deed when Milwaukee County sold the land to the City by Milwaukee. Milwaukee County sold the parcel to the State of Wisconsin Department of Transportation (DOT) in 1968, prior to the sale to the City. The DOT will donate the land (or sell it for nominal consideration) to the City or RACM, for the purpose of the proposed redevelopment. The land, once sold to RACM, will be sold to the developer as soon as possible. (The Park West "F" plan amendment permits the Authority to accept title of the DOT land.)

The larger site contains four other properties owned by the Authority: 2002 North 14th Street, 2004 North 14th Street, 2004 (ADJ) North 14th Street, and 1338R West Brown Street.

PROJECT DESCRIPTION

Josey Heights will be 37 owner-occupied single-family homes and 16 owner-occupied condominium units.

(An alternative will develop the site for 50 single-family units.) The homes will be at least 1800 square feet with 3 to 4 bedrooms, 2 to 3 baths, and private 2-car garages. Exteriors will be painted wood and "hardi plank" siding, with stucco or cedar shake accents. The developer will purchase the land and perform according to the terms and conditions of the "Josey Heights Development Agreement," including work associated with the subdivision map, storm water management, building public improvements (sewer, water, streets, and other infrastructure,) marketing (to include building a model or models,) and building the homes and condominiums.

DEVELOPMENT AGREEMENT TERMS AND CONDITIONS

The sale price is \$75,000, which is based on approximately \$1,500 per unit. RACM determined the fair market value considering the duties and restrictions imposed on the Redeveloper.

Rather than the standard Option, the developer shall execute the Development Agreement, a sample of which was presented to the Authority. The Executive Director is authorized to complete negotiations with the Redeveloper and the proper City officials are authorized to execute the final agreement upon recommendation by the City Attorney. Any significant modifications will be presented to the Authority for approval. A \$10,000 performance deposit is required and shall be held until satisfactory completion of the project.

Closing shall occur within 30 days after Common Council approval, approval of the Park West "F" amendment the Amendment to Tax Incremental District #44 and of submission by the developer of acceptable final plans, specifications, and proof of financing.

In addition to the aforesaid terms, the sale will be further conditioned as required in the Redevelopment Authority resolution adopted on May 20, 2004.

SALES PROCEDURE

The sale price is \$75,000. RACM will deduct a 20% development fee from the gross sale proceeds. There is no brokerage fee. 5% of the net sales proceeds will be retained by RACM, as payment for the RACM-owned land. The balance of the net sale proceeds will be returned to the Community Block Grant Administration office, which paid for the original improvements to the playfield.

PAST ACTIONS

The Redevelopment Authority held a public hearing on the proposed sale on May 20, 2004, after which it conditionally accepted the Development Agreement with the named Redeveloper.

FUTURE ACTIONS

Upon approval of this Report by your Honorable Body, and receipt of requisite approvals by regulatory bodies, the Redevelopment Authority will enter into said Redevelopment Agreement and proceed to close in accordance with the terms and conditions expressed herein and contained in the form of contract and resolution referred to above.

Respectfully submitted,

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE**

Elaine M. Miller
Assistant Executive Director-Secretary