

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

DATE

December 10, 2013

RESPONSIBLE STAFF

Elaine Miller, Real Estate Manager

PROPOSED ACTIVITY

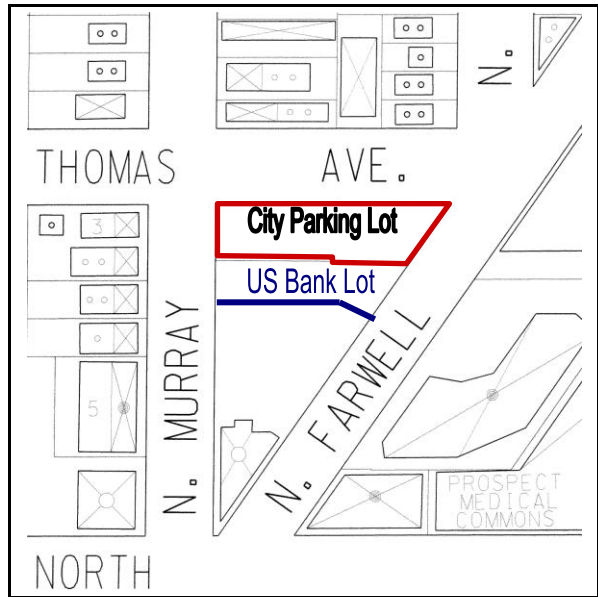
Reauthorization of an option to purchase authorized by the Common Council in 2011. The action will allow a 2014 WHEDA application for affordable housing tax credits to develop workforce housing.

PARCEL ADDRESS & DESCRIPTION

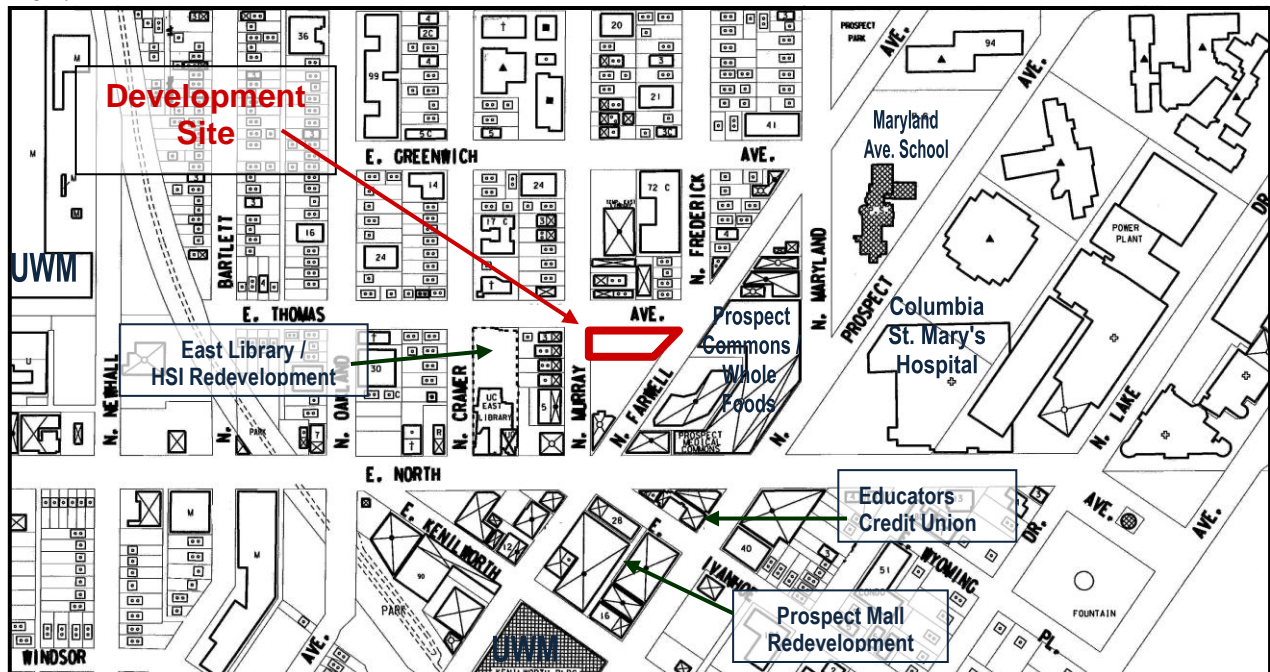
2353 North Farwell Avenue:
A City parking lot containing approximately 13,394 SF. The lot has 46 parking spaces of which 10 spaces are leased to US Bank. The 2011 Council action declared the property surplus to municipal needs.

The City lot will be combined with part of the US Bank lot to create a development site with approximately 25,594 SF to be developed in two phases. A Certified Survey Map will be required to divide and combine the property.

Because public parking will be eliminated, the Buyer will work with the East Side Business Improvement District (BID) and Columbia St. Mary's on an agreement for public parking and signage at the Prospect Commons Garage. Ten new metered parking spaces also will be added.



The lot is in the East Side BID and was identified for future development in the Northeast Side Area Plan.



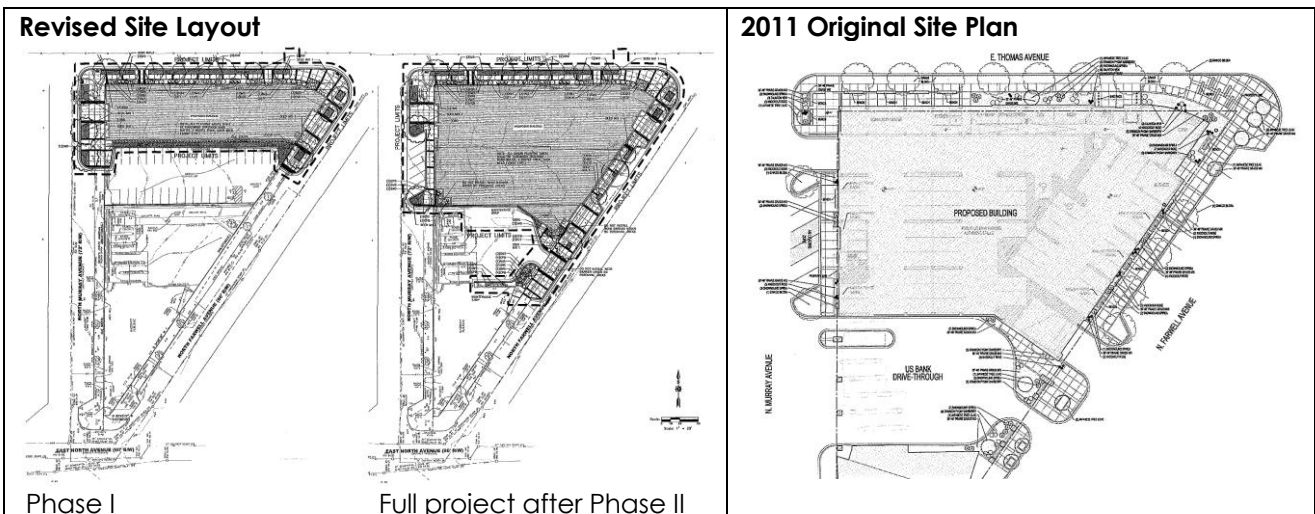
BUYER

Mercy Housing Lakefront, Inc. (Mercy), a non-profit corporation that develops affordable and supportive housing. Mercy's efforts were focused in Chicago until 2009 when it came to Milwaukee and developed the Johnston Center Residences, a 92-unit supportive housing effort at the City's former Johnston Health Clinic at 1230 West Grant Street, which opened in November 2010. Mercy's housing facilities often provide on-site supportive services, including employment training programs, computer literacy classes, adult education, leadership development and children's after-school activities.

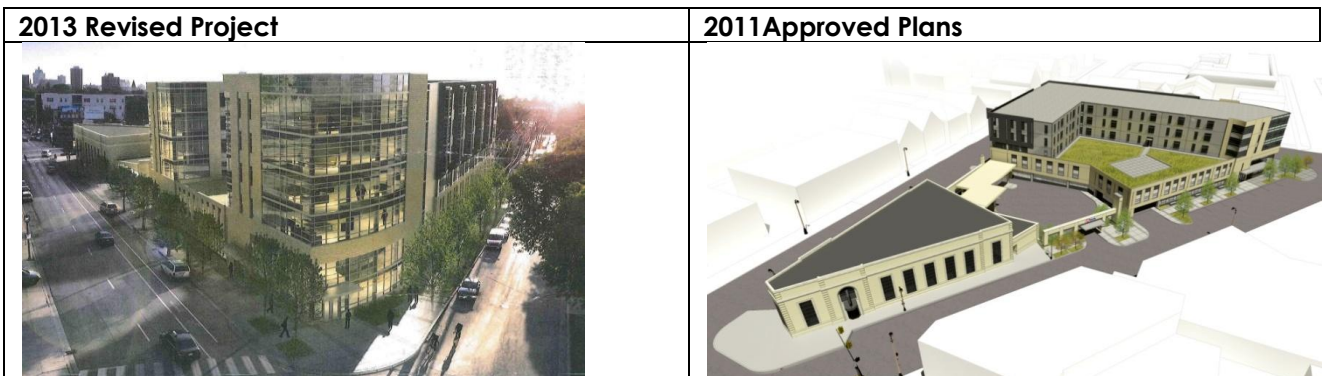
Mercy Housing Lakefront is affiliated with the nationwide Mercy Housing and the Daughters of Charity religious order that operates Columbia St. Mary's Hospital and the national Mercy Housing. Overall, Mercy has developed over \$1.9 billion in real estate and has over 15,000 housing units in development or constructed. Cindy Holler is president of Mercy Housing Lakefront.

PROJECT DESCRIPTION

The Greenwich Park Apartments will be an affordable workforce housing effort that will target employees of Columbia St. Mary's and other area employers. The project was initially authorized in 2011, but did not receive a WHEDA tax credit allocation. The project has been revised for a two-phase, mixed-income development to be financed in part with two tax credit applications rather than a single project.



The revised project will contain 100 units rather than 54 units in one building and will be a mix of market-rate and affordable units. Phase I will have 56 units and Phase II will have up to 42 units. The project will incorporate a community room and common space for residents. Building height has increased from five to six stories and has added a lower parking level. Parking has been increased from 109 to 145 garage spaces for use by the residents, US Bank employees and customers and the public. The Buyer expects to pursue LEED certification.



2013 conceptual aerial – looking southeast	2011 conceptual aerial -- Looking northwest
2013 Revised Plans	2011 Plans
 <p data-bbox="170 682 841 716">Looking SE from Farwell & Thomas</p>	
 <p data-bbox="170 1071 841 1102">Looking SW from Thomas & Murray</p>	
 <p data-bbox="170 1396 841 1430">Farwell view – looking NW</p>	

The design modifications are subject to an amendment to the Detailed Planned Development zoning that is being considered by the Common Council concurrently with the property sale. The revised plan has received a Certificate of Appropriateness from the East Side Architectural Review Board.

Estimated project costs have increased to \$16.7 million -- up from over \$8 million in costs for the one-phase project. SBE participation is projected to be 20%, but will likely increase to meet current City goals for 25% of hard costs and 18% of professional services. The project will be financed in part through federal housing tax credits allocated by WHEDA. Additional funding will be provided through conventional financing.

OPTION TERMS AND CONDITIONS

The purchase price remains at \$150,000. The property will be conveyed on an "as is" basis and the deed will include a restriction prohibiting tax-exempt status. The City has provided the Buyer with a Historic Land Use Investigation prepared by City staff. A \$3,750 Option Fee will be required upon Common Council approval and will be credited toward the purchase price. Sale proceeds, less sale expenses, will be deposited in the Parking Fund.

The base option period is until December 31, 2014. If the project does not receive a 2014 WEHDA tax credit allocation, but Mercy desires to resubmit another application to WHEDA, the base option period may be extended by the DCD Commissioner until December 31, 2015, at no cost. If the Buyer needs additional time beyond the base term, as extended, to obtain construction plans or firm financing and equity, the option may be extended by the DCD Commissioner for up to two three-month periods based upon Buyer submission of a \$500 non-refundable renewal fee and satisfactory progress report on the Buyer's efforts to obtain financing and final building plans.

City closing contingencies include DCD approval of final construction plans, evidence of firm financing and equity and execution of an agreement with Columbia St. Mary's and the East Side BID for public parking and added signage at the Prospect Commons Garage.

A Purchase and Sale Agreement will be negotiated and executed prior to closing. The document will require submission of a \$10,000 Performance Deposit that will be held until satisfactory completion of the project and provisions for reversion of title for non-performance. Final building plans must be consistent with the preliminary plans the Buyer submitted to obtain the Option to Purchase and conform to Detailed Planned Development zoning as amended.