



## NORTH AVENUE COMMUNITY DEVELOPMENT CORPORATION

*Sharing ideas, together we will make a difference!*

December 29, 2000

Juanita Hawkins, Block Grant Director  
Community Development Block Grant Office  
200 East Wells Street, Room 606, City Hall  
Milwaukee, WI. 53202

Dear Ms. Hawkins;

Per your request, this is the monthly update on the Jewel/Osco Mall project for the month of December 2000. Before I continue, happy holidays and thank you, and Glenn Mattison, for being so patient as the NACDC worked its way through the complex terrain of this very important project.

Since starting my position in September, I have worked to keep Mr. Mattison informed of our efforts, and he has been very candid at what he expects from our organization. Here, I will provide; 1) a thorough explanation of why the scope of the project has changed, yet the impact remains the same, 2) significant detail on the current scope of the project, and 3) additional organization-related information requested by your office. Finally, after providing considerable substantiation of the project's viability, I will request that the \$160,000 of LID funds be applied to the current project scope.

### SCOPE OF THE PROJECT

Over the past year, the scope of the project has expanded and contracted based on the ability to gain site control, at expected prices. Initial plans were to develop a 40,000 - 50,000 sq ft. shopping center adjacent to the new Jewel/Osco store. The store would generate supportable rental space for the shopping center, and exert development pressure on smaller commercial properties in the area. The project, one of the first development projects in the area, would be an anchor site for further development.

From the onset the project faced considerable challenges, of which many the CDBG office have already been informed. To briefly summarize, and reiterate; site control could not be established for property on the north side of North Avenue from 35<sup>th</sup> to 37<sup>th</sup> street; a property owner demanded far too much than what the project could carry and another major piece of property was burdened with liens, back taxes, and title uncertainties. Given these obstacles the NACDC made a decision to shift its strategy from developing a Large-scale Shopping Center to a more focused development approach which emphasized smaller properties with the potential to make a large impact.

The new approach is much more holistic and far-reaching in its application. First, development projects are interdependent with other development efforts (commercial, residential and public) in the area. Second, development funds can be dispersed more widely and more effectively to make an immediate impact. The result is that by shifting its

strategy to a more comprehensive development model, the NACDC can affect a much broader area, and maximize the use of CDBG LID funds.

In this case, the NACDC has identified the area between 33<sup>rd</sup> and 38<sup>th</sup> and North as a market with interdependent development possibilities. Attached is a list of current projects the NACDC is initiating in this area. The projects are much smaller than the Shopping Center project but taken as a whole make much more of an impact on the community.

The project that the NACDC is focusing on as a catalyst project within the abovementioned development corridor is the property at 3709 W. North Avenue. The property, located directly across the street from where the Shopping Center was to be located, is an extension of everything the Shopping Center represented: The building will be a highly visible "anchor" of development, exerting development pressure for other development in the area; the property will be 4,500 sq. ft. of supportable rental space supported from market opportunities generated by the new Jewel/Osco store, the Boys and Girls club, and the new Edison school (opening September 2001) on 38<sup>th</sup> and North; The property will create a comparable job ratio to the Shopping Mall of seven new jobs for every 4,500 sq. ft. of rental space.

The project at 3709 W. North Avenue also enhances development by complementing other development efforts: Directly across the street at 3706 a Citgo gas station will be opening in mid 2001; at 3719 W. North Avenue a Pizza business will be opening in early 2001, at 3607 W. North Avenue a retail establish may be located. See the attachment on current projects for more detail on how this project is part of a larger, coordinated effort. This project, however, will be the primary catalyst.

This project (new strategy) involves the renovation of the property at 3709-11 W. North Avenue. The 2-story, 4500 sq. ft. building has been vacant and under-utilized for several years. The total cost for the project is \$420,000. The renovation of the building and the creation of new businesses at this location promises to be a catalyst for redevelopment in this area of North Avenue.

The proposed use of the building not only makes the project feasible but also adds real value to the community. The lower level, will have a Cyber Café, which will have open access to the information Superhighway. A much needed service for a community dealing with a lack of access to the Internet. The upper level will have several businesses that utilize or promote the use of technology such as Cierra-Tec, a computer consulting and training company; the Rembert Corporation, a computer parts supplier, and Arne Freeman, who utilizes digital imaging to design three-dimensional designs of buildings. Also, NACDC offices will be located on the second floor. The building will be wired with high capacity data lines.

The NACDC will operate a small incubator in the building to promote local business development. The incubator will encourage the creation of businesses that utilize technology to create services. The design and construction of the second floor will ensure that the space is expandable for increased incubator development.

The North Avenue CDC aims to purchase and manage the building. To make this project a success the NACDC will need access to the \$160,000 of CDBG LID funds currently earmarked for the Shopping Center, and other equity sources from local foundations. It is the goal of the NACDC to apply as little debt as possible to this project. The NACDC anticipates that the project will be complete by Mid-May 2001.

**EXPECTED IMPACT OF THE PROJECT**

See attachment "Community Impact of project"

**OTHER INFORMATION**

Development Pro forma for the project and Operating Pro-Forma

See Attachment "Supporters of this Project"

Proposed Development Timeline

List of Current NACDC project in the development corridor between 33<sup>rd</sup> and 38<sup>th</sup> st.

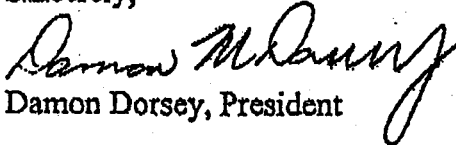
**SPECIAL REQUEST**

The NACDC respectfully requests that, given the comparable impact, importance, and geographic proximity of the project at 3709 W. North Avenue, the CDBG office approve that the application of \$160,000 of CDBG LID funds currently earmarked for the Shopping Center project be, instead, applied to the project at 3709 W. North Avenue.

In the first week of January 2001 I will forward to you additional information that your office has requested, including; our most recent audited financial statements, Form 990, a copy of the offer to purchase, detailed rehabilitation plans and the scope of work. Additional information will follow shortly thereafter.

If you have any questions or if you need additional information please contact me at 871-4793 or 412-0916(cell).

Sincerely,



Damon Dorsey, President

c: Glenn Mattison, Willie Hines