

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

**RESPONSIBLE STAFF**

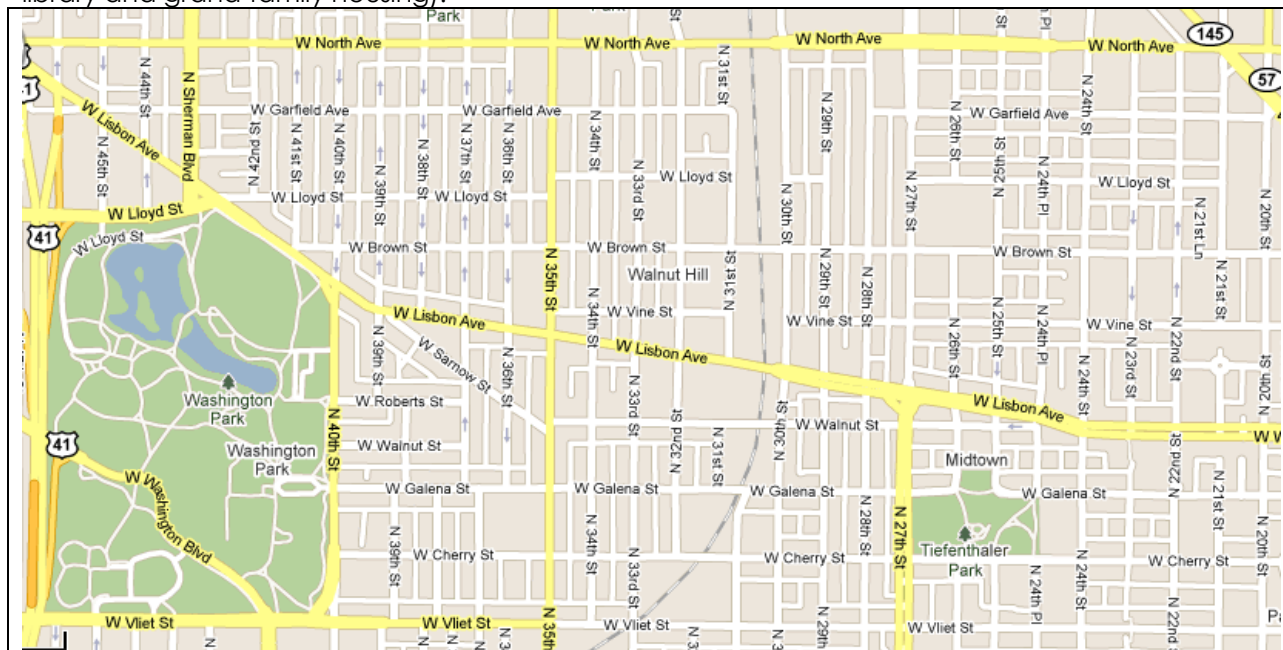
Clifton Crump, Real Estate Section (286-5805)

**PROPOSED ACTIVITY**

Authorize an Option to Purchase with Gorman & Company, Inc. for the restoration of up to 21 properties, providing for 40 rental affordable housing units. The homes will be renovated on sites throughout the Sherman Park, Washington Park, Walnut Hill and Midtown neighborhoods by utilizing a combination of WHEDA Tax Credits, Neighborhood Stabilization Program (NSP) funds and private funds.

**BUYER**

Gorman & Company, Inc., a Madison-based developer that specializes in developing and redeveloping affordable housing. Gorman's other Milwaukee projects include the Pabst Blue Ribbon Lofts, Kunzelman Esser Lofts, The Majestic, Historic Fifth Ward Lofts and Villard Square (city library and grand-family housing).



<p>Addresses: 1813 N. 24<sup>th</sup> St. 2858 - 60 N. 26<sup>th</sup> St. 2969 - 71 N. 29<sup>th</sup> St. 1824 - 26 N. 33<sup>rd</sup> St.</p>	<p>1708 N. 36<sup>th</sup> St. 1722 - 24 N. 37<sup>th</sup> St. 2142 - 44 N. 37<sup>th</sup> St. 2407 N. 41<sup>st</sup> St. 2471 - 73 N. 44<sup>th</sup> St.</p>	<p>2451 - 53 N. 45<sup>th</sup> St. 2466 N. 45<sup>th</sup> St. 2524 W. Burleigh St.</p>
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**PROPERTIES**

Development will be focused in four neighborhoods and two Aldermanic districts that abut one another. All proposed building renovations will complement past home construction in these neighborhoods, while maintaining the unique exterior character of each property.

The final mix of properties to be renovated in each neighborhood may shift based on the availability and quality of the sites. Gorman sought, and DCD real estate only made available, properties that at best can be described as "marginal." If any properties are determined to be infeasible for restoration, as Gorman examines both the interior and exterior of the properties or additional properties become City-owned, the Commissioner of DCD may substitute a property in the target areas upon approval from the local alderperson.

## PROJECT DESCRIPTION



**2524 W. BURLEIGH ST.**

The rehab rental project will consist of up to 40 affordable rental units, two to three bedrooms in each, with each unit averaging 1,250 sq. ft. in size. The target market is households with incomes that are 50% to 60% of the County Median Income. Gorman is bound by a 15-year tax credit compliance period, which ensures that the properties will remain under common ownership, which ultimately adds value and stability to these neighborhoods. Total project costs are estimated at \$7,384,754.

### **OFFER TERMS & CONDITIONS**

The purchase price will be \$5,000 per City property and conveyance will be on an "as is" basis. A purchase and sale agreement shall be drafted by the City Attorney. A \$5,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project. The sale proceeds, less sale expenses and a 30 percent disposition cost reimbursement to the Redevelopment Authority of the City of Milwaukee, shall be credited to the Reserve For Tax Deficit Fund Account. Final restoration and site plans must be approved by the Department of City Development.

The Buyer will be given six months to close on the properties from the date of Common Council authorization permitting the sale of the properties. If the Buyer requires additional time beyond that date to obtain financing or finalize (and gain approval of) plans, the Commissioner of DCD may extend the option for a six-month period upon submission of a \$500 non-refundable renewal fee and satisfactory progress report on the project.