

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

**DATE**

December 19, 2013

**RESPONSIBLE STAFF**

Deshea Agee, Bronzeville Manager, 286-0793

**REDEVELOPMENT PROJECT AREA**

7th & Garfield/Bronzeville: A redevelopment project area amended in 2005 to create the Bronzeville Cultural and Entertainment District.



RACM parcels



Private parcels to be acquired for project

**PARCEL ADDRESSES & DESCRIPTION**

510 to 540 West North Avenue: Four contiguous parcels containing a total area of 32,827 SF. The site at 540 West North Avenue is improved with a former tavern that will be demolished by the Redeveloper. The site was assembled by two property acquisitions by the Redevelopment Authority (530 and 540 West North Avenue and a tax-deed property at 5<sup>th</sup> & North (former Commandos property) that was acquired from the City. The properties will be combined with three improved residential properties to create a 50,677 SF disposition site.

**REDEVELOPER**

Maures Development Group, LLC and CommonBond Communities, Inc.: The partners plan to form a new limited liability company to take title to and develop the project.

Maures, founded in 2006 by Melissa Goins, is a Milwaukee-based, minority and woman-owned real estate firm that specializes in developing and redeveloping affordable housing. The firm is active with multi-family, retail and office projects as an owner/developer, development manager for

other companies and land use planning. Recent multi-family projects include Heart & Hope Place, Teutonia Gardens, Franklin Square and Century City Lofts.

CommonBond is the Midwest's largest nonprofit provider of affordable housing. The company, based in St. Paul, Minnesota, owns or manages over 5,400 affordable apartments or townhomes in Wisconsin, Minnesota and Iowa. Milwaukee projects include Bishop's Creek Apartments, Brewery Point, Teutonia Gardens and Teweles Seed Tower.

#### **PROJECT DESCRIPTION**

Development of a mixed-use building containing apartments and ground floor commercial space. The building will be four stories and will contain about 56,000 SF. Parking for residential tenants and visitors/customers of the commercial space will be provided in a rear lot. Residential units will include one-bedroom, two-bedroom and three-bedroom units.

Project costs are estimated at \$9 million and will be financed in part through affordable housing tax credits allocated by the Wisconsin Housing and Economic Development Authority (WHEDA). The Redeveloper estimates that 40% of the total budget will involve Small Business Enterprises.

#### **OPTION TERMS AND CONDITIONS**

The purchase price will be \$1.00 per property. A \$500.00 non-refundable Option Fee is required. A \$3,000.00 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project.

The base option period is one year to allow the Redeveloper time to apply for and receive a WHEDA tax-credit allocation, prepare construction drawings and obtain firm financing. If the project does not receive a 2014 WHEDA tax-credit allocation, but the Redeveloper desires to resubmit another application to WHEDA, the base option period may be extended by the Executive Director until December 31, 2015, at no cost. If the Redeveloper obtains a WHEDA allocation, but requires additional time beyond the base period, the Executive Director may extend the option for two, three-month periods upon submission of a \$500.00 non-refundable renewal fee and satisfactory progress report on the project.

A Purchase and Sale Agreement will be negotiated and executed prior to closing. The document will outline performance obligations and reversion of title provisions for non-performance. Closing contingencies include Redevelopment Authority approval of final construction plans and evidence of firm financing without contingencies for the full project.

In addition to the aforesaid terms, the sale will be further conditioned as required in the Redevelopment Authority resolution adopted on December 19, 2013, and in the Option to Purchase to be negotiated by the Redevelopment Authority and the Redeveloper.

#### **PAST ACTIONS**

The Redevelopment Authority held a public hearing on December 19, 2013, after which it conditionally accepted the Option to Purchase of the named Redeveloper.

#### **FUTURE ACTIONS**

Upon 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 adopted by the Redevelopment Authority.