

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

**DATE**

December 15, 2005

**RESPONSIBLE STAFF**

James Sayers, Development Manager

**REDEVELOPMENT PROJECT AREA**

The boundary for the "North 20<sup>th</sup> and West Brown Streets Redevelopment Project Area" (formerly titled the North 20<sup>th</sup> and West Lloyd Streets Redevelopment Project Area) was approved by the Redevelopment Authority on November 15, 2005, and by the Common Council on December 13, 2005. The Plan will be considered for adoption at the January 2006 RACM meeting. A portion of the proposed Plan area is in the "Park West Area "E" project area, which was adopted in 2001 to permit developing a "Super K" department store. The developers of the Super K department store are no longer interested in developing the site and the "Area E" Plan will be retired in conjunction with adopting the 20th and Brown Plan.

**TAX INCREMENTAL DISTRICT (TID)**

The redevelopment will be located within proposed Tax Incremental District No. 65 (the "TID"). The TID will provide funds for public improvements, land acquisition and grant/loan funds to existing property owners, associated with the project, and is concurrently being considered.

**REDEVELOPER**

Legacy Midwest Renewal Corporation, a not-for-profit community development corporation, assembled a development team that includes Irgens Development Partners and Williams Development Corporation (the "Partners"). The principals of the three companies are as follows: Legacy Midwest Renewal Corporation - Sally Peltz; Irgens Development Partners - Mark Irgens; and Williams Development Corporation - Bill Orenstein. The three Partners will form a for-profit development corporation that will develop the site.

**PARCEL ADDRESSES & DESCRIPTION**

The City of Milwaukee owns several parcels in the development area. The parcels are currently vacant land. The Neighborhood Improvement Development Corporation ("NIDC") owns 2058 North 22<sup>nd</sup> Street and intends to sell the parcel to the Redevelopment Authority of the City of Milwaukee ("RACM"). The Housing Authority of the City of Milwaukee ("HACM") owns 2231-35 West Lloyd Street and intends to sell the parcels to the City of Milwaukee. The addresses of the City, NIDC, and HACM parcels are listed as Exhibit One to this Land Disposition Report. The Redevelopment Plan will authorize acquisition of all lots, subject to approval of this Land Disposition Report.

**PROJECT DESCRIPTION**

The proposed Development will construct up to 75 single-family homes. An alternate plan will build 18 to 24 townhouse condominiums along West Garfield Avenue and up to 60 single-family homes. The homes will be at least 1,600 square feet with 3 to 4 bedrooms, 2 to 3 baths, and private 2-car garages. All homes and townhouse units will be sold to owner-occupants, with up to 10 being reserved for low-moderate income households. The expected purchase price of the townhouses is \$160,000 and the single-family homes is \$175,000. The developer will purchase the land and perform according to the terms and conditions of a Development Agreement, including work associated with land division, stormwater management, marketing (to include building two models) and building the

homes. The total estimated construction costs including public improvements is \$13.5 to \$16.5 million.

#### **DEVELOPMENT AGREEMENT TERMS AND CONDITIONS**

The sale price is \$2,000 per single-family building lot and \$1,000 per townhouse lot. The price recognizes the duties and restrictions imposed on the Redeveloper.

Rather than the standard Option, the Redeveloper shall execute the Development Agreement. A term sheet of the Development Agreement is herewith presented to the Authority as Exhibit Two to this Land Disposition Report. The Executive Director is authorized to complete negotiations with the Redeveloper and the proper 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 after the Common Council approves this Land Disposition Report and the Redevelopment Plan and after the Redeveloper submits acceptable final plans, specifications and proof of financing. Closing must occur within 15 days of final TID approval. RACM will deduct a 20% development fee from the gross sale proceeds. There is no brokerage fee.

#### **PAST ACTIONS**

The Redevelopment Authority held a public hearing on the proposed sale on December 15, 2005.

#### **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 Development 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.

## EXHIBIT ONE

| TAXKEY     | HSE_NBR_LO | HSE_NBR_HI | HSE_NBR_SFX | ST_DIR | ST_NAME  | ST_TYPE | OWNER_NAME_1    |
|------------|------------|------------|-------------|--------|----------|---------|-----------------|
| 3500003000 | 2225       | 2227       |             | W      | LLOYD    | ST      | CITY OF MILW    |
| 3500004000 | 2219       | 2223       |             | W      | LLOYD    | ST      | CITY OF MILW    |
| 3500505100 | 2119       | 2121       |             | W      | LLOYD    | ST      | CITY OF MILW    |
| 3500519000 | 2115       | 2115       |             | W      | LLOYD    | ST      | CITY OF MILW    |
| 3500520000 | 2113       | 2113       |             | W      | LLOYD    | ST      | CITY OF MILW    |
| 3500521000 | 2107       | 2109       |             | W      | LLOYD    | ST      | CITY OF MILW    |
| 3500522000 | 2101       | 2105       |             | W      | LLOYD    | ST      | CITY OF MILW    |
| 3500876110 | 2124       | 2124       |             | W      | LLOYD    | ST      | CITY OF MILW    |
| 3500962100 | 2127       | 2129       |             | N      | 22ND     | ST      | CITY OF MILW    |
| 3500965000 | 2113       | 2113       |             | N      | 22ND     | ST      | CITY OF MILW    |
| 3500972000 | 2224       | 2226       |             | W      | LLOYD    | ST      | CITY OF MILW    |
| 3500973000 | 2232       | 2234       |             | W      | LLOYD    | ST      | CITY OF MILW    |
| 3502139000 | 2331       | 2333       |             | W      | GARFIELD | AV      | CITY OF MILW    |
| 3502141000 | 2325       | 2325       |             | W      | GARFIELD | AV      | CITY OF MILW    |
| 3502142000 | 2321       | 2323       |             | W      | GARFIELD | AV      | CITY OF MILW    |
| 3502148100 | 2145       | 2145       |             | N      | 23RD     | ST      | CITY OF MILW    |
| 3502150100 | 2135       | 2137       |             | N      | 23RD     | ST      | CITY OF MILW    |
| 3502151100 | 2131       | 2133       |             | N      | 23RD     | ST      | CITY OF MILW    |
| 3502704110 | 2030       | 2030       |             | N      | 21ST     | LA      | CITY OF MILW    |
| 3502712000 | 2126       | 2126       |             | W      | BROWN    | ST      | CITY OF MILW    |
| 3502713000 | 2021       | 2023       |             | N      | 21ST     | LA      | CITY OF MILW    |
| 3502804110 | 2029       | 2029       |             | N      | 21ST     | ST      | CITY OF MILW    |
| 3503007110 | 2039       | 2039       |             | N      | 22ND     | ST      | CITY OF MILW    |
| 3503011100 | 2212       | 2212       |             | W      | BROWN    | ST      | CITY OF MILW    |
| 3500001000 | 2235       | 2235       |             | W      | LLOYD    | ST      | CITY OF MILW HO |
| 3500002000 | 2231       | 2231       |             | W      | LLOYD    | ST      | CITY OF MILW HO |
| 3500020110 | 2009       | 2013       |             | N      | 22ND     | ST      | CITY OF MILWAUK |
| 3500020120 | 2204       | 2206       |             | W      | BROWN    | ST      | CITY OF MILWAUK |
| 3500504110 | 2123       | 2123R      |             | W      | LLOYD    | ST      | CITY OF MILWAUK |
| 3500507000 | 2054       | 2056       |             | N      | 22ND     | ST      | CITY OF MILWAUK |
| 3500518100 | 2127       | 2127R      |             | W      | LLOYD    | ST      | CITY OF MILWAUK |
| 3500523000 | 2049       | 2049       |             | N      | 21ST     | ST      | CITY OF MILWAUK |
| 3500603000 | 2027       | 2027A      |             | N      | 22ND     | ST      | CITY OF MILWAUK |
| 3500813100 | 2008       | 2008       |             | W      | GARFIELD | AV      | CITY OF MILWAUK |
| 3500814100 | 2200       | 2200       |             | N      | 21ST     | ST      | CITY OF MILWAUK |
| 3500871200 | 2104       | 2104       |             | W      | LLOYD    | ST      | CITY OF MILWAUK |
| 3500872100 | 2108       | 2108       |             | W      | LLOYD    | ST      | CITY OF MILWAUK |
| 3500873100 | 2114       | 2114       |             | W      | LLOYD    | ST      | CITY OF MILWAUK |
| 3500874000 | 2116       | 2116       |             | W      | LLOYD    | ST      | CITY OF MILWAUK |

| TAXKEY     | HSE_NBR_LO | HSE_NBR_HI | HSE_NBR_SFX | ST_DIR | ST_NAME  | ST_TYPE | OWNER_NAME_1    |
|------------|------------|------------|-------------|--------|----------|---------|-----------------|
| 3500875000 | 2120       | 2120       |             | W      | LLOYD    | ST      | CITY OF MILWAUK |
| 3500892110 | 2239       | 2239       |             | N      | 21ST     | ST      | CITY OF MILWAUK |
| 3500898100 | 2102       | 2102       |             | W      | GARFIELD | AV      | CITY OF MILWAUK |
| 3500914100 | 2235       | 2235       |             | W      | NORTH    | AV      | CITY OF MILWAUK |
| 3500963000 | 2123       | 2123       |             | N      | 22ND     | ST      | CITY OF MILWAUK |
| 3500964000 | 2119       | 2121       |             | N      | 22ND     | ST      | CITY OF MILWAUK |
| 3500966000 | 2202       | 2202       |             | W      | LLOYD    | ST      | CITY OF MILWAUK |
| 3500970000 | 2218       | 2218       |             | W      | LLOYD    | ST      | CITY OF MILWAUK |
| 3500971000 | 2222       | 2222       |             | W      | LLOYD    | ST      | CITY OF MILWAUK |
| 3502140000 | 2329       | 2329       |             | W      | GARFIELD | AV      | CITY OF MILWAUK |
| 3502143000 | 2317       | 2319       |             | W      | GARFIELD | AV      | CITY OF MILWAUK |
| 3502144100 | 2313       | 2313       |             | W      | GARFIELD | AV      | CITY OF MILWAUK |
| 3502145000 | 2309       | 2309       |             | W      | GARFIELD | AV      | CITY OF MILWAUK |
| 3502146000 | 2305       | 2305       |             | W      | GARFIELD | AV      | CITY OF MILWAUK |
| 3502147000 | 2301       | 2301       |             | W      | GARFIELD | AV      | CITY OF MILWAUK |
| 3502801000 | 2043       | 2043       |             | N      | 21ST     | ST      | CITY OF MILWAUK |
| 3503004000 | 2213       | 2213       |             | W      | LLOYD    | ST      | CITY OF MILWAUK |
| 3503007120 | 2041       | 2041       |             | N      | 22ND     | ST      | CITY OF MILWAUK |
| 3503825000 | 2019       | 2019       |             | N      | 23RD     | ST      | CITY OF MILWAUK |
| 3503826000 | 2023       | 2023       |             | N      | 23RD     | ST      | CITY OF MILWAUK |
| 3503831000 | 2018       | 2018       |             | N      | 24TH     | ST      | CITY OF MILWAUK |
| 3503832000 | 2020       | 2020       |             | N      | 24TH     | ST      | CITY OF MILWAUK |
| 3503841000 | 2312       | 2312       |             | W      | BROWN    | ST      | CITY OF MILWAUK |
| 3503842000 | 2302       | 2302       |             | W      | BROWN    | ST      | CITY OF MILWAUK |
| 3503843000 | 2318       | 2318       |             | W      | BROWN    | ST      | CITY OF MILWAUK |
| 3503845000 | 2332       | 2332       |             | W      | BROWN    | ST      | CITY OF MILWAUK |
| 3503846000 | 2328       | 2328       |             | W      | BROWN    | ST      | CITY OF MILWAUK |
| 3503847000 | 2322       | 2322       |             | W      | BROWN    | ST      | CITY OF MILWAUK |
| 3503848000 | 2320       | 2320       |             | W      | BROWN    | ST      | CITY OF MILWAUK |
| 3500506100 | 2058       | 2060       |             | N      | 22ND     | ST      | NEIGHBORHOOD    |

**Exhibit Two**  
**Summary of Terms**  
**TID No. 65 “20<sup>th</sup>-Brown”**

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|---|---|
| <b><u>Project:</u></b>                      | <p>The plan for the 20<sup>th</sup> and Brown Tax Incremental District (TID) includes constructing a residential development of up to 60 single-family homes and 24 townhouse units. (The TID feasibility uses a conservative estimate of 50 single-family and 18 townhouse units.) The TID will be located in an area bounded approximately by W. North Ave. on the north, N. 20<sup>th</sup> St. on the east, W. Brown St. on the south, and N. 24<sup>th</sup> St. on the west.</p> <p>Associated work includes Phase II environmental testing, environmental remediation, public improvements (sewer, water, lighting, trees, pavement) and a contribution toward green space improvements to Johnsons Park. Also planned is rehabilitation grants or loans to property owners in the District. Finally, if opportunities present themselves, there may be purchase of some privately owned properties.</p> |
| <b><u>Project Budget:</u></b>               | <p>Private investment is estimated at \$11.6 million and public will be \$3.25 million. Total investment will be approximately \$15 million.</p>  |
| <b><u>Developer:</u></b>                    | <p>Legacy Midwest Renewal Corporation, Irgens Development Partners, LLC, and Williams Development Corporation will form a for-profit corporation to develop the site.</p>   |
| <b><u>City Contribution:</u></b>            | <p>The City will pay for public improvements including limited green space enhancements to Johnsons Park. Also contemplated is a potential to purchase privately owned properties, rehabilitation grants or loans to existing property owners in the District and environmental remediation.</p>  |
| <b><u>Disbursements:</u></b>                | <ul style="list-style-type: none"><li>▪ A Cooperation Agreement between the City and the Redevelopment Authority is required to implement the TID Plan.</li><li>▪ The Department of City Development (DCD) will make TID funds available after 15 units are under construction.</li><li>▪ The City will have the option to reduce TID expenditures if, due to environmental conditions, the Developer rejects all or portions of land north of Garfield Avenue, resulting in fewer units being built.</li><li>▪ All bids and payments for public improvements shall occur only after approval by the DCD and the Department of Public Works (DPW.) DCD will approve any other use and disbursement of TID funds consistent with the approved plan.</li></ul>  |
| <b><u>Maximum Term of TIF District:</u></b> | <p>The maximum term of the TID is January, 2033. The expected date of full amortization of debt is in 2028.</p>   |
| <b><u>Developer Responsibilities:</u></b>   | <ul style="list-style-type: none"><li>▪ Design and develop up to 60, but not less than 50 single-family homes and up to 24, but not less than 18 townhouse units.</li><li>▪ Purchase the land as-is. Developer will assume all costs of stormwater management, land division, including buried rubble, except that Developer has the option to reject certain lots north of Garfield Avenue if additional Phase II environmental testing is unfavorable.</li></ul>  |

**Developer's  
Performance  
Milestones:**

- Establish design guidelines for the homes and townhouses.
- Market the sites and the development.
- Build all homes to customers' specifications.
- Commit to 25% Emerging Business Enterprise participation.
- Perform neighborhood outreach.
- Work with Legacy Bank to finance home improvement loans and mortgages.
- After taking a 15% return on costs, pay RACM 50% of the remaining income.
- Execute the Development Agreement within 15 days of final TID approval (Joint Review Board).
- Submit proof of financing, final plans and specifications, construction budget, construction schedule, an approvable application for land division and for stormwater management within 30 days of executing the Development Agreement.
- Purchase the land in 4 stages (Clusters). Close of sale of the first Cluster (approximately 20 building sites) within 30 days of executing the Development Agreement.
- Start construction on at least 50% of the lots in a Cluster before being permitted to buy the next Cluster.
- Close on sale of a second Cluster within 18 months of the First Closing, and close on sale of the remaining Clusters within 18 months of the prior closing.
- Begin sale of lots within 30 days of the First Closing.
- Start building at least two model homes and one six-unit townhouse building within 120 days of the first closing.
- Sell and complete construction of 50 single-family and 18 townhouses within 48 months of the First Closing.
- Submit quarterly progress reports.

**General**

This term sheet does not constitute an agreement between the City or RACM and the Developer.