

**BLIGHT DESIGNATION SUMMARY AND
LAND DISPOSITION REPORT
32ND AND GARFIELD**

DATE

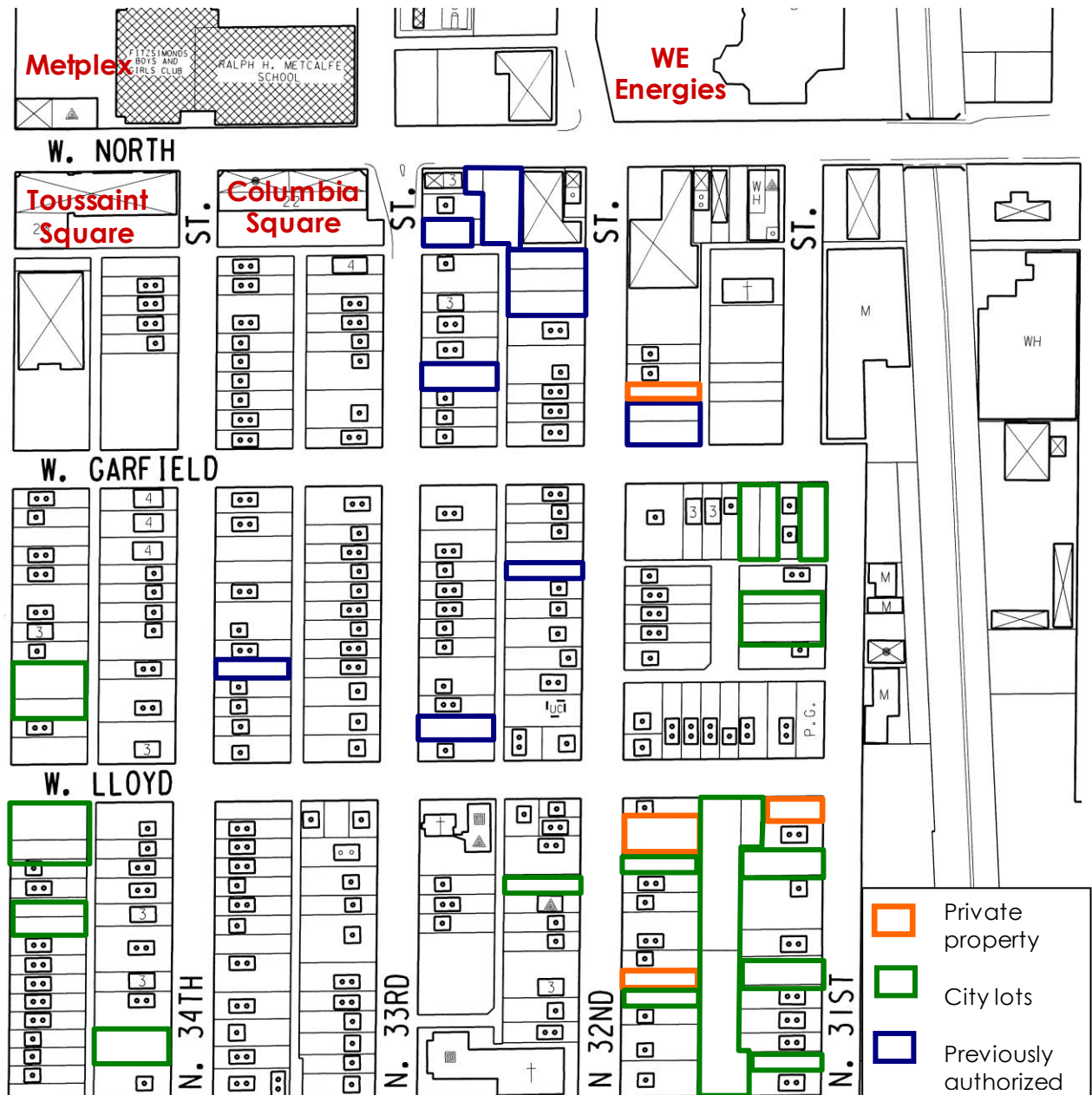
October 16, 2008

RESPONSIBLE STAFF

Elaine Miller, Real Estate Staff (286-5732)

PROPOSED ACTIVITY

Declare four privately owned and 22 City-owned vacant lots "blighted" for acquisition by the Redevelopment Authority and amending the Option to Purchase with North Avenue Community Development Corporation ("NACDC"), or its assigns, to include these lots with property previously authorized for sale for residential and mixed-use development.



PRIVATE PROPERTIES TO BE ACQUIRED

2059-61 North 31 st Street	Owner:	Menervia Hoskins (Vendee) Wayne Haase (Vendor)
	Property:	3,432 SF vacant lot, house razed in 2007
	Assessment:	\$2,600
	Tax Status:	Two years delinquent
	Code Status:	None currently; prior code violations satisfied by City razing.
2210 North 32 nd Street	Owner:	Otto McDuffie & Brian Currie
	Property:	A 3,450 SF vacant lot (30' x 115"), adjoins two RACM lots with environmental concerns.
	Assessment:	\$2,700
	Tax Status:	Current
	Code Status:	None.
	Comments:	Owners own adjacent, vacant rental property
2022-24 North 32 nd Street	Owner:	June Roque
	Property:	3,630 SF vacant lot (30' x 121"), adjoins City-owned vacant lot
	Assessment:	\$2,700
	Tax Status:	Current
	Code Status:	None.
2052 North 32 nd Street	Owner:	Beatrice Hendrix
	Property:	7,260 SF vacant lot (60' x 120"), adjoins City-owned vacant lot.
	Assessment:	\$2,600
	Tax Status:	Six years delinquent; no In Rem action due to small balance
	Code Status:	None.

CITY PROPERTIES/NEW BLIGHT DESIGNATIONS

2007 North 31 st Street	3,360 SF	2038-40 North 35 th Street	3,600 SF
2027 North 31 st Street	5,782 SF	2052 North 35 th Street	3,600 SF
2049 North 31 st Street	5,392 SF	2060 North 35 th Street	6,962 SF
2127 North 31 st Street	4,064 SF	2130-32 North 35 th Street	3,600 SF
2129-31 North 31 st Street	4,064 SF	2138 North 35 th Street	7,200 SF
2133-35 North 31 st Street	2,711 SF	3116-18 West Brown Street	16,488 SF
2020 North 32 nd Street	3,399 SF	3115 West Lloyd Street	2,862 SF
2048 North 32 nd Street	3,632 SF	3119-21 West Lloyd Street	15,102 SF
2045 North 32 nd Street	3,600 SF	3101 West Garfield	4,795 SF
2011-13 North 34 th Street	6,799 SF	3111 West Garfield Avenue	3,600 SF
2034-36 North 35 th Street	3,600 SF	3115 West Garfield Avenue	3,600 SF

FINDINGS OF BLIGHT

The properties meet the statutory definition of blight by virtue of the vacant or partially vacant status, deterioration of structures and site improvements, small lot size and diversity, all of which impair and arrest the sound growth of the City and implementation of the Comprehensive Plan.

REDEVELOPER

North Avenue Community Development Corporation ("NACDC"). Formed in 1999 as a non-profit 501c(3) created by a consortium of local non-profit organizations, brought together by the Helen Bader Foundation, to identify economic development opportunities in its target area, and leverage access to resources to encourage sustainable and significant economic growth and development. The NACDC's "target area" encompasses Burleigh Street to the North, Juneau Avenue to the South, Interstate 43 to the East and 46th Street to the West. Renee Booker is the Executive Director.

Two of NACDC's major recent projects are Columbia Square, a mixed-use building with 22 apartments at 3305 West North Avenue and Toussaint Square, a mixed-use building with 15,000 SF of commercial space and 23 apartments at 3401 West North Avenue.

PROPOSED REDEVELOPMENT

Along North Avenue, the three-story Avenue Lofts would be constructed with 4,000 SF of retail on the first floor and four 1,500 SF three-bedroom affordable apartments on the second and third floors. The scattered lots will be assembled to create eight building sites for 20 single family homes. The Redeveloper plans to build three-bedroom units and to use designs from the City's New House Catalog. For each design used, the Redeveloper will pay \$500 to the architect/designer.



The Avenue Lofts



Potential House Design-
Milwaukee House Catalog

Total projects costs are approximately \$6.2 million. The project will be financed in part through federal housing tax credits allocated by WHEDA. Additional funding will be provided through conventional financing. The Redeveloper expects Emerging Business Enterprises to comprise about 30 percent of the project budget.

OPTION TERMS AND CONDITIONS

The 2007 Option to Purchase will be amended to include the additional properties and the base option terms will be set at six months from Council action, or until May 25, 2009, whichever is later. The purchase price will remain the same at \$24,000. The Executive Director may grant a credit at closing if the purchase price jeopardizes overall project feasibility. Conveyance will be on an "as is" basis. A financial feasibility credit may be granted by DCD's Commissioner at closing based on demonstrated hardship. No additional Option Fee is required and a \$1,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project. Sale proceeds, less sale expenses and a 30% fee to the Redevelopment Authority, will be deposited in the Reserve For Tax Deficit Fund.

The based option term is set at six months from the date of Council approval, or until May 25, 2009, whichever is later. If the Redeveloper requires additional time beyond the base term to obtain financing or final 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.

PAST ACTIONS

The Authority previously approved blight designations and an Option to Purchase for this project in December 2007. The Redeveloper applied to WHEDA for a 2008 tax-credit allocation, but was not selected in the initial round of allocations. Additional credits recently become available and WHEDA selected the Redeveloper's project to receive the allocation. Rather than construct scattered site townhouses as originally planned, the Redeveloper is proposing to build scattered

site single-family homes that would be more suitable for sale for owner occupancy at the end of the rental period.

On October 16, 2008, the Redevelopment Authority held a Public Hearing on the additional blight designations after which it conditionally approved the blight designation and acquisition. The hearing concurrently addressed the subsequent disposition of the additional lots properties pursuant to Wisconsin Statutes.

FUTURE ACTIONS

Upon approval by the Common Council, the Redevelopment Authority will proceed with the acquisition of properties pursuant to Section 32.05, Wisconsin Statutes. An amendment to the Option to Purchase will be drafted and executed by the Redeveloper and the Authority.