

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

DATE

July 20, 2017

RESPONSIBLE STAFF

Kein Burton, 30th Street Corridor Development Manager (286-5845) and Tory Kress, Senior Environmental Engineer (286-8268)

REDEVELOPMENT PROJECT AREA

Washington Park Townhomes involves the Esser Paint parcels that are identified as a catalytic redevelopment project in the 30th Street Industrial Corridor Economic Development Plan.



PARCEL ADDRESSES AND DESCRIPTION

The site was assembled by two tax-deed acquisitions by the Redevelopment Authority (1542-46 North 32nd Street and 3131 West Galena Street) and by a City tax-deed acquisition (1500 North 32nd Street) (collectively known as the "Property"). The Redeveloper will combine Property to create an 101,123 square-foot/2.32-acre disposition site.

In December 2015, the City's Common Council approved rezoning the Property from Industrial-Light to a Detailed Planned Development for multi-family housing.

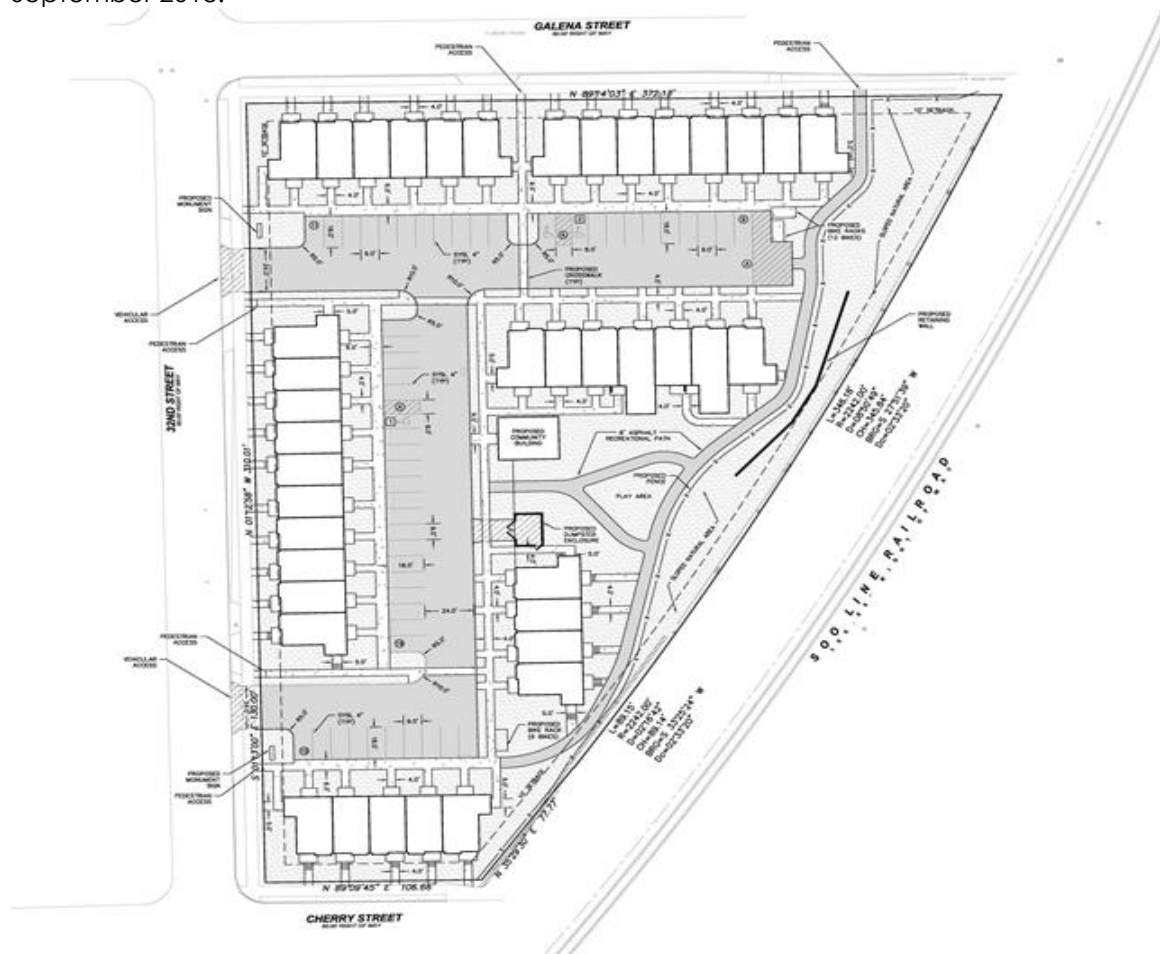
REDEVELOPER

The Redeveloper is Gorman & Company, Inc., ("Gorman" or "Redeveloper") a firm founded by Gary J. Gorman in 1984 to develop, syndicate and manage multi-family housing properties throughout Wisconsin. Gorman has completed a variety of urban community developments in Milwaukee, such as the Dr. Wesley L. Scott Living Facility, Metcalfe Park Homes Owner Initiative, Windsor Court, Lindsay Commons, Blue Ribbon Lofts, Majestic Loft Apartments, Kunzelmann-Esser Lofts, Historic Third Ward Lofts, Park East Enterprise Lofts, Villard Square and Sherman Park Commons. Gorman also has expertise in sustainable architecture and development, finance, tax credit investments, historic preservation, construction and supporting emerging businesses.

PROJECT DESCRIPTION

Washington Park Townhomes will consist of 40 attached single-family dwelling units in six row-house style buildings, consisting of a 10-unit building, an 8-unit building, a 7-unit building, a 6-unit building, a 5-unit building and a 4-unit building. There will be 26 two-bedroom and 14 three-bedroom units. In addition, there will be a 900 square-foot community building that will house a leasing office, a small conference room and a maintenance shop.

The closing date shall occur on or before December 20, 2017. Construction shall be completed by September 2018.





Project Elevation

This project will include a set-aside for residents earning 30, 50 and 60 percent or less of the Milwaukee County Area Median Income. The project will target veteran families as an integrated supportive housing component (minimum of 25 percent of the housing units.) Based on community stakeholder input, the project also will incorporate a public recreational path adjacent to the rail corridor.

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), Community Development Block Grant HOME re-programming funds, National Stabilization Program funds and a Wisconsin Economic Development Corporation Brownfield grant. The Redeveloper estimates that 40 percent of the total budget will use Small Business Enterprises.

This project will incorporate a workforce initiative involving previously incarcerated individuals and will focus on the following construction trade apprenticeships: carpentry; plumbing; HVAC; electrical; siding; and roofing.

TERMS AND CONDITIONS

The purchase price is \$1.00 per parcel Redeveloper will submit a \$10,000 performance deposit at closing, which shall be held until the certificate of completion is approved for the project.

The Redevelopment Authority will convey the Property to the Redeveloper at closing via a quit claim deed in an "as-is, where is" condition, with no warranties or representations, express or implied, and with all faults and defects, including environmental and geotechnical conditions, known or unknown. Such provisions shall bar tort, warranty and misrepresentation claims, including any action based on non-disclosure. Redeveloper shall be responsible for all closing costs.

The deed will contain a restriction prohibiting the Redeveloper or its successors and assignees from applying to the City for tax-exempt property status.

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. The Redevelopment Authority's reversionary right is a material provision to the Property conveyance, without which, the Redevelopment Authority would not have entered into this transaction. Closing contingencies include Redevelopment Authority approval of final construction plans and evidence of firm financing, without contingencies for the full project.

The Redeveloper will work with the City of Milwaukee Preservation Office to determine design and placement of a historic marker recognizing the skilled artisans who worked at the site to produce exquisite stained and leaded glass panels that remain in prominent historic buildings across the country.

FUTURE ACTIONS

The Redeveloper, City and Redevelopment Authority will proceed to close in accordance with the terms and conditions expressed herein and contained in the resolution adopted by the Redevelopment Authority. Upon the Redeveloper obtaining firm financing and approval of final plans, the terms set forth herein and other provisions customary for a transaction of this sort shall be incorporated in one or more agreements among the Redeveloper, the Redevelopment Authority and the City, including but not limited to a Purchase and Sale Agreement, development agreement and agreements related to the allocations of National Stabilization Program funds, and HOME funds.

Failure to comply with the schedule or any terms and conditions outlined in this Land Disposition Report, or any City or Redevelopment Authority policy generally applied to conveyance of Redevelopment Authority or City-owned land per Wisconsin Statutes or Milwaukee Code of Ordinances, terminates the Redeveloper's interest in the Property.