

LAND DISPOSITION REPORT
COMMON COUNCIL OF THE CITY OF MILWAUKEE
VILLARD SQUARE – 35TH & VILLARD

DATE

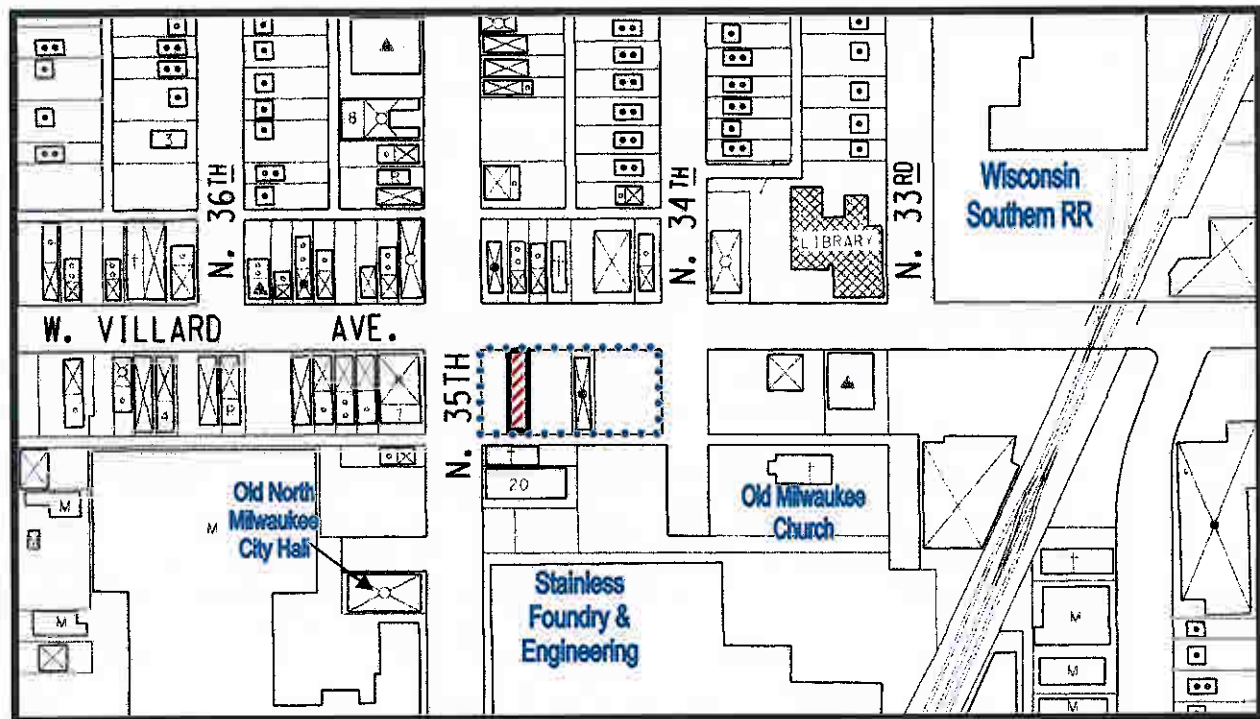
January 28, 2009

RESPONSIBLE STAFF

Elaine Miller, Real Estate Section (286-5732)

NEIGHBORHOOD

Old North Milwaukee. The 35th & Villard intersection is the central commercial corridor of the original Town of North Milwaukee. Major facilities include the Villard Library, Stainless Foundry and Wisconsin Southern Railroad.



City Lot



Project Site

PARCEL ADDRESS & DESCRIPTION

3427-29 West Villard Avenue: A tax-deed vacant lot containing 3,600 SF. The lot will be assembled with the adjacent properties acquired by Buyer to create a 30,600 SF site with 255 feet along Villard Avenue and 120 feet on North 35th Street.

BUYER

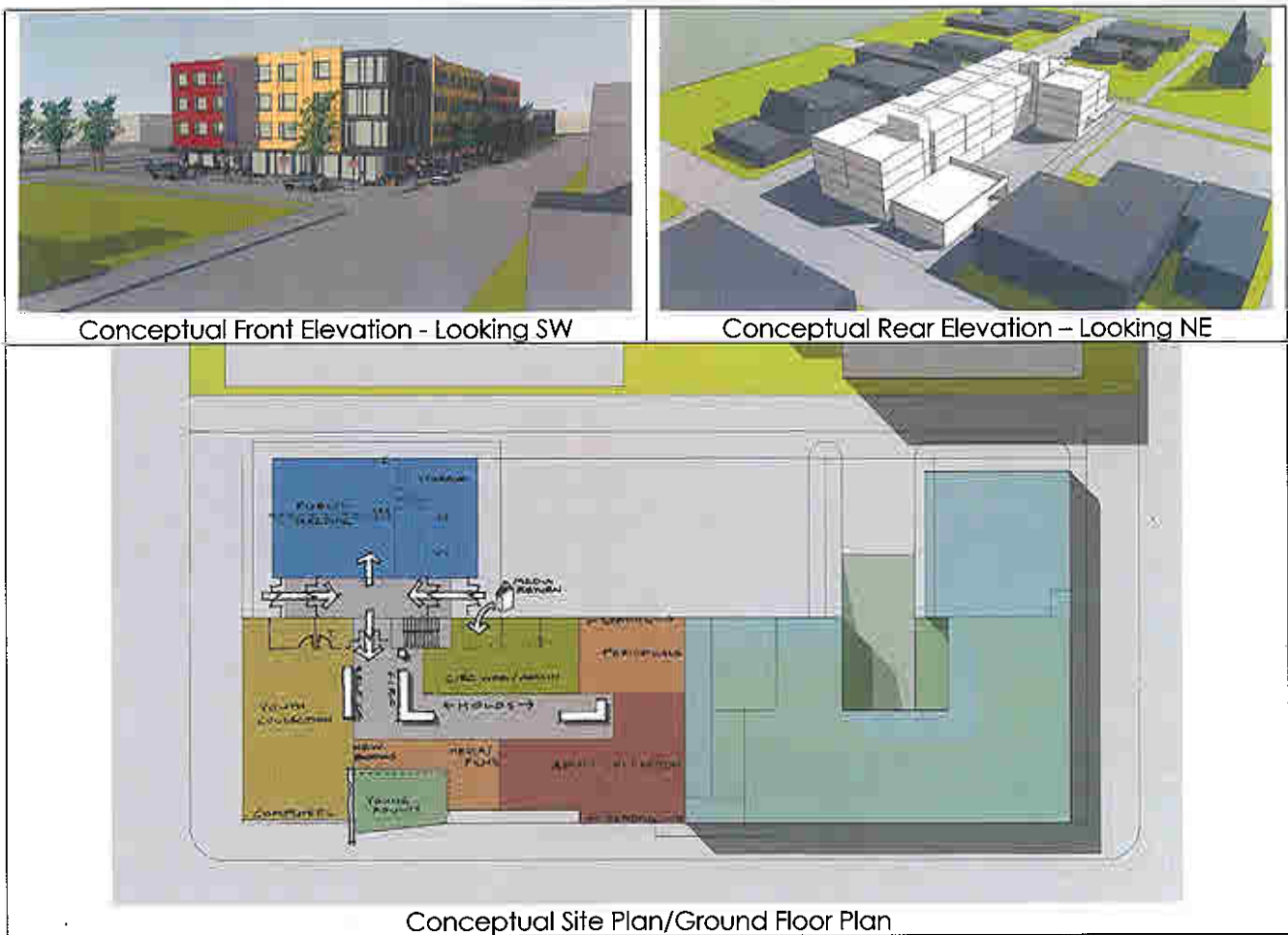
Villard Square, LLC, a limited liability company formed by the Northwest Side Community Development Corporation (NWCDC) and Gorman and Company. NWCDC is a non-profit corporation founded in 1983 to facilitate community-based development on the northwest side of Milwaukee with special emphasis in the Villard Avenue corridor. Howard Snyder is Executive Director. Gorman & Company is a Madison based multi-family development company founded in 1984 that specializes in developing affordable housing. Gorman has extensive Milwaukee experience including such projects the Metcalfe Park Townhomes, Blue Ribbon Lofts, Golden Dome Apartments, Kunzelman Esser Lofts and Lindsay Commons (formerly London Square). Gary Gorman is president.

PROJECT DESCRIPTION

Villard Square, a four-story mixed use building containing approximately 19,400 SF. The upper levels will contain 47 affordable housing units that will be targeted toward grandfamilies for intergenerational housing where parents are not the primary caregivers. The housing units will be a mix of one, two and three-bedroom units with rents that range from \$550 to \$875 per month.

The ground floor may contain the Villard Avenue Library, pending City approval of necessary cooperation agreements. The building will also provide about 6,800 SF of retail space.

Total costs are approximately \$9.86 million. Financing will be primarily federal Affordable Housing Tax Credits that are allocated by the Wisconsin Housing and Economic Development Authority. Additional financing may be provided by New Market Tax Credits or City funds for the library replacement pending future Council action. The developer is estimating 25% EBE participation.



OPTION TERMS AND CONDITIONS

The purchase price will be \$1.00 due to the overall project feasibility and cost to assemble the private lots. Because of the minimal purchase price, a Phase I Environmental Site Assessment may be Buyer's sole responsibility. A \$1,000 Earnest Money Deposit will be required upon acceptance by Council and will be credited toward the \$1,000 performance deposit to guarantee satisfactory completion of the project. Sale proceeds will be deposited in the Tax Deficit Fund.

The option terms correspond to WHEDA's Affordable Housing Tax Credit allocation schedule and will allow applications over a two-year period. The initial option shall be until June 30, 2009, to allow for a 2009 WHEDA tax-credit application. Upon an award, the initial term is automatically extended until December 31, 2009, to allow the buyer to obtain final construction plans, sell the tax credits to raise equity and obtain conventional and/or new market financing. This will also allow

the Buyer to obtain Council approval of the library relocation agreement. If the Buyer does not receive a 2009 allocation, the option shall be extended until June 30, 2010 to permit a 2010 tax credit application. After an award, the option will be automatically extended until December 30, 2010. If the Buyer requires additional time beyond December 31st to sell the tax credits or obtain firm financing or final plans, the DCD Commissioner may renew the option for up to two six-month periods based on demonstrated project progress. Renewals require a \$500 non-refundable renewal fee and a progress report on the efforts to obtain financing and construction plans. If the Buyer fails to make a 2009 or 2010 tax credit application to WHEDA, the option may be terminated by the Commissioner or DCD. The Commissioner of DCD is authorized to alter the option terms based in changes in the tax credit program by WHEDA.

FUTURE ACTIONS

Upon Council approval, the Buyer will apply to WHEDA for affordable housing tax credits. The Buyer will also work with City staff to obtain approval for the Villard Library relocation. Upon receipt of the credits, sale of the equity, obtaining firm financing and construction plans, the City shall close with the Buyer. Closing contingencies include DCD approval of final construction plans and financing and execution of Purchase and Sale Agreement that provides for reversion of title in the event of non-performance.