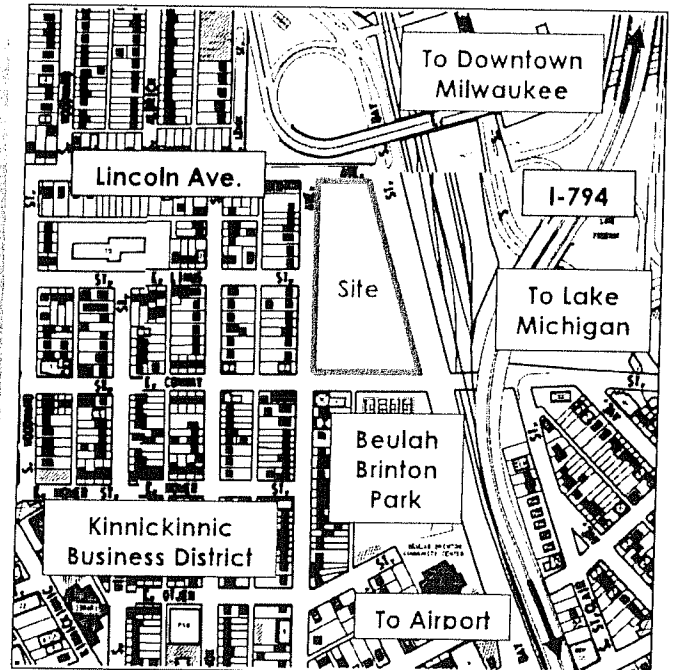
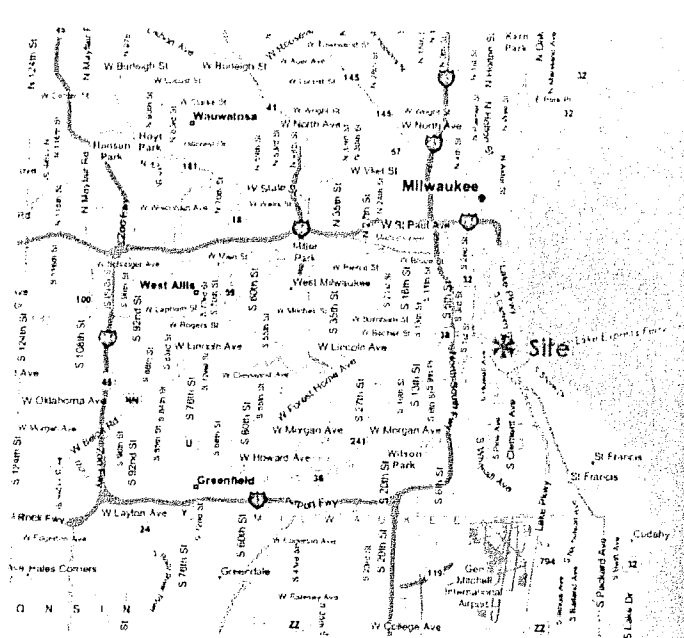


Eco-Bay Proposal by the Housing Authority of the City of Milwaukee for the former Army Reserve Site

PARCEL ADDRESS & DESCRIPTION

2372 South Logan Avenue. A 245,322 SF (apr. 5.6 acres) vacant lot that was most recently an Army Reserve site. Structures were demolished in 2008.



PROJECT BACKGROUND

In October 2008, the Common Council declared the Property surplus to municipal needs and authorized the Department of City Development ("DCD") to issue a Request for Proposals ("RFP") for residential development of the Property. The RFP was released in November of 2008 and required that all proposals be "net zero energy" developments. In January of 2009, seven proposals were received and reviewed by DCD and neighborhood stakeholders, based on the criteria set forth in the RFP.



The RFP required development proposals to meet the following criteria:

- Net Zero Energy Development, including Wisconsin Energy Star Checklists
- Predominantly residential use, consisting of 75-150 units
- Maximum building height of 3.5 along Bay and 2.5 along Logan, minimum height of 2 stories for all structures
- At least 21% EBE participation
- No tax-exempt uses

DCD conducted a review of proposals that were submitted to determine whether the proposals met the criteria. Proposals that met the criteria were further evaluated on the following:

- Relationship to the existing neighborhood context and conformance with Southeast Side Plan
- Utilization of high-quality building materials
- Financial feasibility
- Expansion of tax base
- Asking price
- Experience of the development team
- Ability to complete the project in a timely manner

Among the seven proposals received, the one that best met the criteria was the development proposal submitted by the Housing Authority, because of its:

- Strategy for achieving a net zero development
- The density of residential units
- Quality of the site plan, context with the neighborhood and conformance with Southeast Side Plan
- Quality of building materials
- Total financial investment in the project and increase in tax base
- Ability to start and complete project in a timely manner
- Developer experience, particularly with sustainable building concepts
- Level of EBE participation

The other proposals ranked lower based on factors such as inability to achieve net zero energy, financial feasibility, failure to meet EBE goals, reliance on city subsidies, low quality building materials or otherwise incomplete proposals.

After an initial team of DCD staff and energy experts (including a representative from Focus on Energy) reviewed the proposals for their general responsiveness to the RFP, a five member team conducted a final review (including interviews) of the responsive proposals. This team included two DCD staff members (Dan Casanova – Senior Economic Development Specialist and Clifton Crump – Project Manager) and three members of the public, including two Bay View residents:

- Linda Niefert - member of the Southeast Side Area Plan Contract Management Team who is familiar with the goals/recommendations of the Plan as well as a long-serving member of the community. She is a resident of Bay View.
- Kris Martinsek - serves on the Harbor Commission, is familiar with the site as well as the Harbor Commission's interest in the future of the site and is a former Director of Housing Development for the City of Milwaukee. She is a resident of Bay View.
- Nancy Aten - a local expert on sustainable building concepts and stormwater management, who was not involved in any of the proposals.

BUYER

Housing Authority of the City of Milwaukee (HACM). HACM will create a new limited liability company to take title to the property and develop the project.

PROJECT DESCRIPTION

A "Net Zero" energy residential development consisting of 135-45 total units, comprised of:

- 12 market-rate single-family homes
- 8 market-rate townhomes
- 75-80 units of independent senior living
- 40-45 units of assisted senior living

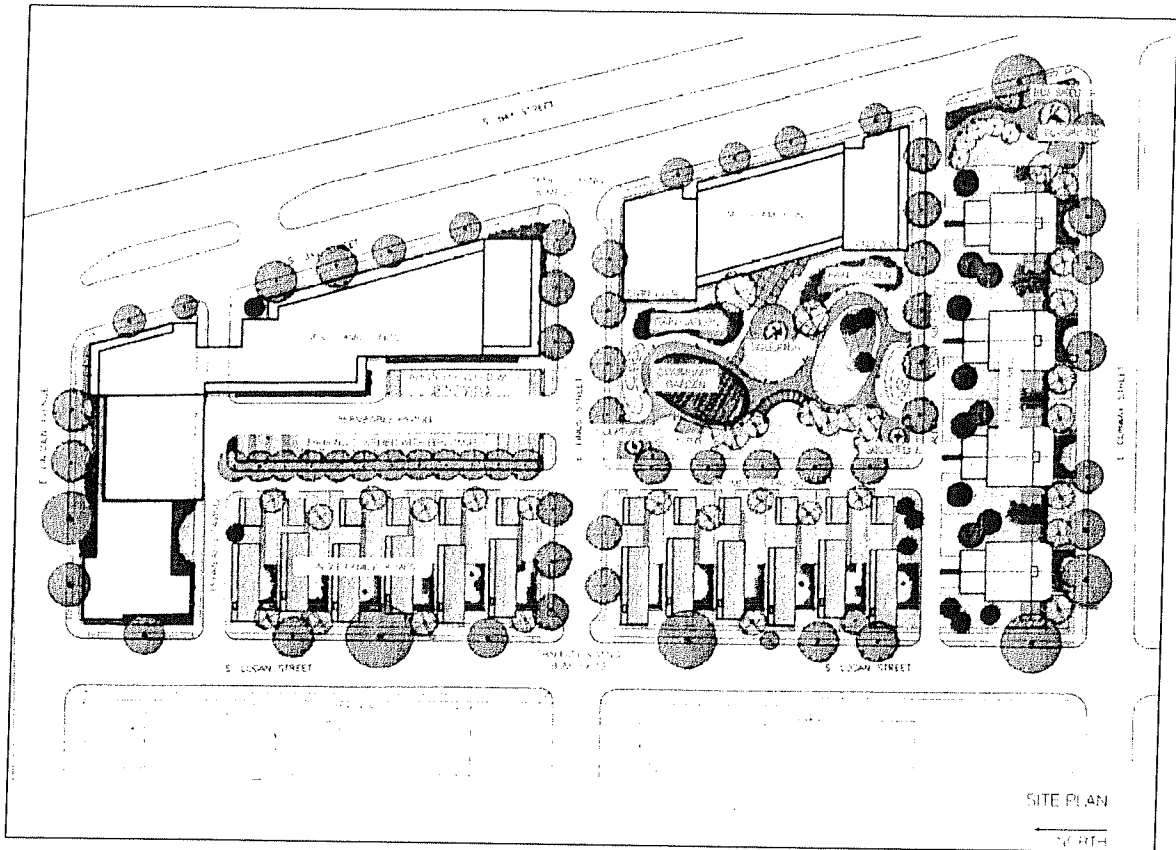
The "Net Zero" energy requirement will be met through the use of extremely energy-efficient building practices, moderately-sized units and solar panels. All stormwater will be contained on-site. All structures will be Wisconsin ENERGY STAR certified and LEED certification will also be pursued. The development also includes the extension of East Linus Street from South Logan Avenue to South Bay Street.

The multi-family buildings may be financed through affordable housing tax credits allocated by the Wisconsin Housing and Economic Development Authority (WHEDA), if awarded, or other financing options may be pursued. The single-family and townhomes will be financed by the homebuyers using conventional financing. Estimated project costs are \$39.5 million. The development will be fully-taxable or a PILOT (payment in lieu of taxes) agreement will be entered into. HACM expects to exceed 25% EBE participation.

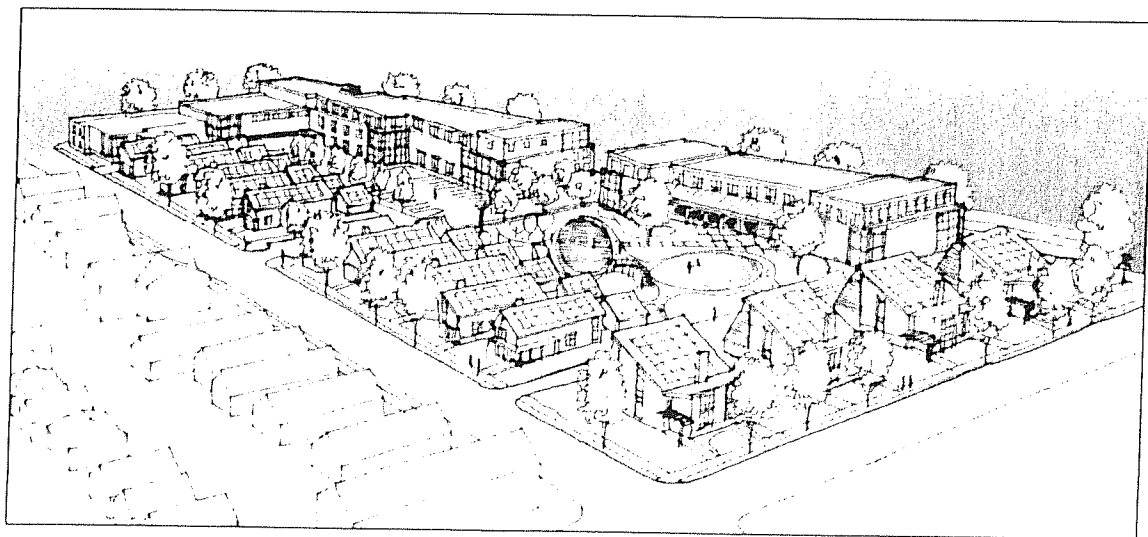
A Deed Restriction will be placed on the multi-family buildings, guaranteeing that the independent and assisted living senior units are reserved for seniors (age 55 and over) in perpetuity.

The property is currently zoned RT4 and it is anticipated that a Detailed Planned Development will be needed for the development. The development will also require a subdivision plat. The sale of the Property is subject to

obtaining approval of the necessary zoning change and subdivision plat for the project.



Site Plan



Bird's Eye View



Single-Family Elevations

TERMS AND CONDITIONS

The purchase price will be \$2.00 (based on an apr. \$2 million credit for site infrastructure work, including the extension of East Linus Street, to be conducted by Buyer).