

**COUNTY OF MILWAUKEE  
INTER-OFFICE COMMUNICATION**

**DATE:** February 15, 2011

**TO:** Lee Holloway, Chairman - Milwaukee County Board of Supervisors

**FROM:** Geri Lyday, Interim Director - Department of Health and Human Services  
*Prepared by: Gary Bottoni, Housing Division Program Coordinator*

**SUBJECT: From the Interim Director, Department of Health & Human Services, Requesting Approval to Submit the Housing Division's 2011 Action Plan to the U.S. Department of Housing and Urban Development**

**POLICY**

Approval is sought for the 2011 Action Plan - a component of the five year (2011-2014) Consolidated Plan for the U.S. Department of Housing and Urban Development (HUD) entitlement programs.

**BACKGROUND**

To participate in the federal Community Development Block Grant (CDBG) and HOME programs, and to enable the participation by other governments, non-profit agencies and private housing providers and managers in various HUD programs, Milwaukee County must submit a five year Consolidated Plan. The Plan establishes housing and community development priorities and objectives and is the basis under which HUD allocates funds to Milwaukee County and evaluates its performance.

The current five year Consolidated Plan was approved by the County Board in February of 2010.

The five year Consolidated Plan is implemented by an annual Action Plan, which specifies the uses of CDBG and HOME funds for the upcoming program year.

The annual Action Plan has two major components. The first component describes how the County will address Consolidated Plan goals and various federal requirements and the second component includes funding allocations.

Attached is the first component of the County's 2011 Action Plan, which are the sections of the Consolidated Plan describing how the County will address the Consolidated Plan goals and federal requirements.

The second component of the County's 2011 Action Plan includes:

- Funding allocations for the CDBG, which were approved by the County Board in November, 2010 (File No. 10-377); and
- Funding allocations for the HOME Programs, submitted for approval by the County Board this committee cycle.

The entire County 2011 Action Plan, with all the components, once approved by the County Board, would be submitted to HUD.

### **RECOMMENDATION**

It is recommended that the Interim Director of the Department of Health and Human Services, or designee, be authorized and directed to submit the annual County 2011 Action Plan to HUD and to carry out all steps necessary to implement the 2011 Community Development Block Grant and HOME Programs.



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Geri Lyday, Interim Director  
Department of Health & Human Services

cc: Marvin Pratt, Interim County Executive  
Terrence Cooley, County Board Chief of Staff  
John Ruggini, Interim Assistant Fiscal & Budget Administrator  
Antionette Thomas-Bailey, Analyst - DAS  
Glenn Bultman, Analyst - County Board  
Linda Durham, Committee Clerk – County Board

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(ITEM ) From the Interim Director, Department of Health & Human Services, Requesting Approval to Submit the Housing Division’s 2011 Action Plan to the U.S. Department of Housing and Urban Development, by adoption of the following:

**A RESOLUTION**

WHEREAS, to take part in the Community Development Block Grant and HOME programs and to enable participation by other private and non-profit developers in various federal housing programs, Milwaukee County has approved and submitted to HUD a five year Consolidated Plan for 2010-2014; and

WHEREAS, the County must submit its annual Action Plan for 2011, which allocates funds for activities carried out under the Community Development Block Grant and HOME Programs in the program year beginning January 1, 2011; now, therefore,

BE IT RESOLVED, the Interim Director of Health and Human Services, or designee, is hereby authorized and directed to submit to the U.S. Department of Housing and Urban Development, the County's annual Action Plan for 2011; and

BE IT FURTHER RESOLVED, that the Director of Administration is authorized and directed to certify the County's compliance with law and regulations adopted for participation in federal housing and community development programs; to enter into grant agreements with HUD; to accept funds; to contract with municipalities, non-profit organizations, contractors, property owners, and others as necessary; to process any necessary fund transfers; and to perform any other actions necessary for implementing the 2011 Community Development Block Grant Program; and

BE IT FURTHER RESOLVED, that the Interim Director of Health and Human Services, or designee, is authorized and directed to certify the County's compliance with law and regulations adopted for participation in federal housing and community development programs; to enter into grant agreements with HUD; to accept funds; to contract with municipalities, non-profit organizations, contractors, property owners, and others as necessary; to process any necessary fund transfers; and to perform any other actions necessary for implementing the 2011 HOME Program.

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** February 23, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** From the Interim Director, Department of Health & Human Services, Requesting Approval to Submit the Housing Division's 2011 Action Plan

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input checked="" type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input checked="" type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
|---|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	2,900,000	2,900,000
	Revenue	2,900,000	2,900,000
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

**In the space below, you must provide the following information. Attach additional pages if necessary.**

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Interim Director of the Department of Health and Human Services is requesting authorization to submit the Housing Division's County 2011 Action Plan - a component of the five year (2011-2014) Consolidated Plan -to the Federal Department of Housing and Urban Development (HUD).

B. As a condition of participation in the Federal Community Development Block Grant (CDBG) and HOME programs Milwaukee County must submit a five year Consolidated Plan, which establishes housing and community development priorities and objectives and is the basis under which HUD allocates funds to Milwaukee County and evaluates its performance. The five year Consolidated Plan is implemented by an annual Action Plan, which specifies the uses of the roughly \$2.9 million in annual CDBG and HOME funds anticipated to be provided for the upcoming program year.

C. While recognizing that future Federal allocations of grant awards are always uncertain, it is anticipated that the Federal Department of Housing and Urban Development (HUD) will provide approximately \$2.9 million in grant revenue in each of the years covered by the Consolidated Plan. In no case will program expenditures exceed available revenue. As a result, there is no tax levy impact associated with approval of this request.

D. No further assumptions are made.

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Department/Prepared By Thomas F Lewandowski, Fiscal & Management Analyst

Authorized Signature *Levi A. Sydnor*

Did DAS-Fiscal Staff Review?  Yes  No

## SECTION V: CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated strategy and plan regulations, Milwaukee County certifies that:

### V.A. Affirmatively Further Fair Housing

The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

### V.B. Anti-displacement and Relocation Plan

It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

### V.C. Drug-Free Workplace

It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
2. Establishing an ongoing drug-free awareness program to inform employees about:
  - (a) The dangers of drug abuse in the workplace;
  - (b) The grantee's policy of maintaining a drug-free workplace;
  - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1.
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will:
  - (a) Abide by the terms of the statement; and
  - (b) Notify the employer in writing, of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.
5. Notifying the agency in writing within, ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant.
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted.
  - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
  - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

#### V.D Anti-lobbying

To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions; and
3. It will require that the language of paragraph (n) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

#### V.E Authority of Jurisdiction

The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

#### V.F Consistency With Plan

The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

#### V.G Section 3

The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 USC 1701u), and implementing regulations at 24 CFR 135.

#### V.H Specific CDBG Certifications

The jurisdiction certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. Overall Benefit. The aggregate use of CDBG funds including Section 108 guaranteed loans during program year(s) 2006 - 2008 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

#### V.I Excessive Force

It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

#### V.J Compliance With Anti-Discrimination Laws

The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

#### V.K Lead-Based Paint

Its notification, inspection, testing and abatement procedures concerning lead-based paint will comply with the requirements of 24 CFR 570.608;

#### V.L Compliance with Laws

It will comply with applicable laws.

#### V.M Specific HOME Certifications

1. Tenant Based Rental Assistance - If the participating jurisdiction intends to provide tenant-based rental assistance:  

The use of HOME funds for tenant-based rental assistance is an essential element of the participating jurisdiction's consolidated plan for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing.
2. Eligible Activities and Costs - It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR 92.205 through 92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in 92.214.
3. Appropriate Financial Assistance - Before committing funds to a project, it will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31 U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify.)
4. For grantees who are individuals, Alternate II applies. (Not applicable jurisdictions.)
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

2711 W. Wells St. Milwaukee WI 53208

Check \_\_\_\_\_ if there are workplaces on file that are not identified here. The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Authorized signature:

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Gerri Lyday, Director  
Department of Health and Human Services

Date

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## SECTION VI: MONITORING

### VI.A General

Activities under this Plan will be monitored under the standards adopted for the performance reports required for participation in HUD programs. The performance report will trigger monitoring of HPA activities that may not be required under these reports.

Disadvantaged business enterprise (Minority and Women's) participation will be tracked by the semi-annual reports submitted to HUD.

### VI.B CDBG Monitoring

Each CDBG activity is monitored to insure compliance with program requirements, accountability of funds expended, progress, and other issues of concern. The form of monitoring differs somewhat depending upon the type and duration of the project. All subgrantees and program recipients are required to submit, with each request for payment, complete documentation of expenditures. At the same time the subgrantee must submit program progress forms which report numbers of persons served by an activity and demographic information on the persons served.

In the case of service type activities, which often last the length of a program year, periodic reports and expenditure documentation are supplemented by an annual site visit to verify procedures and check support documentation for information submitted on reports, both financial and programmatic. As part of the on-site monitoring, clients are randomly selected from files by County staff so that follow-up telephone calls can be made to verify service and determine service quality.

Projects involving any type of construction must be monitored on-site for compliance with the Davis-Bacon Act. The Davis-Bacon compliance visits afford County staff the opportunity to measure progress on the project and assure that the activity being undertaken is, in fact, that which is contained in the subrecipient agreement.

Additional monitoring activity may take place if special concerns or issues require it. This may occur if any of the required reports or monitoring visits appeared to indicate the possibility of any kind of irregularity concerning any of the program regulations.

## SECTION VIII: ANNUAL ACTION PLAN (PROGRAM YEAR 2011)

### VIII.A Federal Resources

Federal resources anticipated to be available in this Program Year to address the priority needs and specific objectives identified in the Five Year Strategic Plan (Part IV) include:

<u>Federal Programs</u>	<u>Uses</u>
Community Development Block Grant \$1.7 million	Infrastructure construction and rehabilitation, services, recreation, job creation, housing rehabilitation
HOME \$1.2 million	Housing rehabilitation, acquisition, site preparation/land development, new construction, homebuyer assistance
Section 8 Existing Rent Assistance \$12.1 million	Rent assistance, Family Self-Sufficiency
Safe Havens/Shelter + Care \$3 million	Rental housing for low income chronically mentally disabled
Low Income Tax Credits	Housing development
Section 202 Elderly Housing	Elderly housing loans
Section 811 Disabled Housing	Accessible housing loans

VIII.B Other Resources

Other resources anticipated to be available to address the needs and objectives identified in the Strategic Plan include:

State Programs

Various WHEDA programs

Uses

Mortgage and rehabilitation assistance; programs can vary based on bonds issued

Community Options Program

Non-institutional living for elderly, disabled

County Programs

Supportive Housing Trust Fund  
Housing Organization Loan Fund

Special needs housing development  
Housing financing for community based organizations

County-wide Home Repair

Housing rehabilitation

Disability Services Division

Accessible assistance

Veteran's Office

Assistance for veterans

Department on Aging

Elderly/disabled air conditioning, accessibility

Private Non-Profit

Social Development Commission  
Weatherization Program

Weatherization

Interfaith Program for Elderly

Maintains list of available units

Independence First  
(Southeastern Wisconsin Center  
for Independent Living)

Maintains list of available units

Metro Milwaukee Fair Housing Council

Maintains list of available units

Movin' Out, Inc

Housing development

Private For-Profit

Various subsidized units

See Section I.A.4

The HOME Program requires a 25% match for all HOME funds expended. Under the Milwaukee County HOME Consortium Agreement, each Consortium partner is responsible for meeting and documenting the HOME match requirement for funds spent within its jurisdiction. As the lead agency, the County will document match for CHDO set-aside activities.

The County meets its match obligation by an allocation of local funds or by match vredit. CHDO activities may be matched by credit generated by other CHDO activities.

Wauwatosa and West Allis have indicated that match credit has been found from several resources.

### VIII.C Geographic Distribution

#### HOUSING ACTIVITIES

The Annual Action Plan geographic priorities for housing activities are those stated in the Strategic Plan for Affordable Housing (Section IV.B above).

#### NON-HOUSING ACTIVITIES

No geographic priorities for non-housing activities are established. Community development needs exist across all of Milwaukee County. There are no areas of minority concentration.

### VIII.D Program Specific Requirements

#### COMMUNITY DEVELOPMENT BLOCK GRANT

##### A.) Specific requirements for CDBG funds:

The entire use of funds will be described in part VIII.E below. All program income either remains in the revolving loan funds, or will be reprogrammed to new activities as the income becomes available. Anticipated CDBG program income for 2011 is \$100,000. There will be no float-funded activities. There are no activities qualifying under urgent needs criteria.

#### HOME

##### A.) Tenant Based Rental Assistance

HOME funds will not be used for TBRA.

##### B.) Other Forms of Investment

Forms of investment other than those authorized in 92.205(b) are not included in this Plan.

##### C.) Affirmative Marketing

Affirmative marketing is required for HOME assisted housing of 5 or more units. Since such projects will not be defined until proposals are received, it is uncertain if the 5 or more unit/required affirmative marketing provisions will be triggered. If such provisions are applicable, the awarded developer will, by its agreement with the County, be required to meet the terms of 92.351(b). The developer shall affirmatively market rehabilitated units through good faith efforts by providing information to eligible persons from all racial, ethnic and gender groups in the housing market. The developer shall advertise the availability of units by commercial media, use of community contacts, including the Equal Housing Opportunity logo type or slogan in all advertising, and by display of the fair housing poster. The developer shall inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach (e.g., use of community organizations, churches, employment centers, fair housing groups or housing counseling agencies). The developer shall keep written records that document efforts to affirmatively market units, and the County shall annually assess the results of these actions. A developer's failure to carry out these actions can result in requirements for corrective actions, including mediation by the Metropolitan Fair Housing Council.

D.) Specific requirements for first time homebuyers:

A Program participant shall execute a non-amortizing, nonrecourse, non-interest bearing promissory note in the amount of the HOME assistance provided. An affidavit of interest shall be recorded to secure the County's note. The note is payable in full within the "period of affordability" under the following circumstances:

1. The participant no longer occupies the house as a principal place of residence; or
2. The participant sells the house. In the case of a sale prior to expiration of the "period of affordability", repayment will be based on the net proceeds of the sale. If the net proceeds are not sufficient to recapture the full HOUSE investment plus enable the homebuyer to recover the amount of the homebuyer's downpayment and any capital improvements, then the County will recover the balance, if any. The same procedure would apply in the case of a foreclosure, although, under this circumstance, recapture would be unlikely.

This Program may be used for newly constructed homes.

VIII.E Narrative for Other Actions

1. Obstacles to Meeting Underserved Needs Consolidated Plan reference: III.A, III.B

The principal obstacle identified in the Consolidated Plan to meeting underserved needs is the lack of financial resources.

The County plans to utilize the resources described in VIII.A and VIII.B above during 2011. Other resources may be pursued if they become available.

2. Foster and Maintain Affordable Housing  
Consolidated Plan reference: IV.B.

The County will pursue the goals for affordable housing as they are established in the Consolidated Plan, utilizing the resources described in VIII.A and VIII.B above during 2011.

3. Remove Barriers to Affordable Housing  
Consolidated Plan reference: II.E, IV.F.

Actions planned for 2011 include:

The County's Supportive Housing Trust Fund, created specifically to provide affordable housing for persons with disabilities, will continue operation. Four developments are in the planning stage.

The County, in a consortium with local communities, has secured Neighborhood Stabilization Program funds to develop housing for those with disabilities. One project is anticipated.

The County's Disabilities Services Division and the Housing Division Special Needs section will continue to make referrals to the County's Home Repair Program for construction management for architectural barrier removal for owner occupied and rental residential units.

THE County's Affordable Housing Trust Fund is prepared to assist affordable housing, if land sales are realized to capitalize the Fund.

With HOME resources, working with a CHDO and a private developer, the County plans to assist developing affordable units in 5 rental housing projects in 2011.

With the balance of funding in the County's Housing Organization Loan Fund, the County will assist in the development of a 20 unit affordable rent-to-own project.

In 2008, the County took delivery of an Analysis of Impediments. Recommendations with implementable actions have been accepted and will continue to be pursued.

The County will continue to work with municipalities to refine local fair housing ordinances.

The County strongly supports housing choice. Other recommendations in the Analysis of Impediments are under consideration, but they may transcend the County's ability to act, financially or legally.

Financial resources and housing market conditions are a prevailing factor and will impact every housing decision in 2011. At a time when financial resources, private and public (including federal, state and local), are unavailable, reduced, or threatened, maintaining existing efforts can be uncertain.

#### 4. Evaluate and Reduce Lead Based Paint Hazards

Consolidated Plan reference: IV.G.

In addition to the actions identified in the Consolidated Plan, the County will:

1. Augment training of Home Repair and Rent Assistance staff who have received certification by the State of Wisconsin as Risk Assessors.
2. Implement Risk Assessments and clearance testing for units receiving funding through the Housing and Community Development Division.
3. Continue a program to increase the pool of lead trained and certified contractors by encouraging and subsidizing training costs and the purchase of lead treatment equipment.
4. Continue general education efforts on lead hazards and options for area municipal and non-profit agencies.

#### 5. Develop Institutional Structure

Consolidated Plan reference: IV.I/J.

In 2011, the County will continue to work with its designated CHDOs. As housing market conditions allow, projects will be pursued.

#### 6. Enhance Coordination Between Housing and Service Agencies

Consolidated Plan reference: IV.I/J.

In addition to the actions referenced, the County will continue to participate in the Safe Havens and Shelter+Care Programs, which provides rental assistance and inter-agency services for the chronically mentally disabled.

#### 7. Foster Public Housing Improvements

Consolidated Plan reference: IV.K.

No other actions are planned in 2011.

## 8. Other Affirmative Marketing

Actions planned for 2011:

The County plans to continue its commitment to FHEO by participation in Fair Housing activities, appropriate advertising, and outreach to those less likely to participate in housing activities.

The County plans to continue its outreach and marketing to those with special needs, to encourage those in need of housing to participate in County assistance efforts.

The County plans to continue its outreach to landlords to encourage participation in the Rent Assistance Program.

### VIII.F Narrative for Homeless and Other Special Needs

The County participates in the planning and implementation of the Milwaukee Continuum of Care.

The parts of the Continuum of Care Strategic Direction and the annual Associated Application that address the County's Housing Planning Area are incorporated by reference into the County's Consolidated Housing and Community Development Plan and the annual Action Plan.

The Continuum of Care: Gaps Analysis for Individuals and Persons in Families with Children are charts that are included in the annual Action Plan software package.

The narrative is found in the Continuum of Care Associated Application.

### VIII.G Activities

Table 2C has been modified to show the proposed accomplishments in Year 1 for each of the specific objectives contained in the 2010 – 2014 Consolidated Plan.

Each activity funded under this Plan is described on the attached tables.

**COUNTY OF MILWAUKEE  
INTER-OFFICE COMMUNICATION**

**DATE:** February 23, 2011

**TO:** Lee Holloway, Chairman – Milwaukee County Board of Supervisors

**FROM:** Geri Lyday, Interim Director, Department of Health and Human Services  
*Prepared by: Gary Bottoni, Housing Program Coordinator*

**SUBJECT: From the Interim Director, Department of Health & Human Services, Requesting Approval to Allocate Year 2011 HOME Funding**

**POLICY**

Approval of funding allocations for the year 2011 HOME Program.

**BACKGROUND**

Projected Funding: \$1,250,000

The recommended use of HOME funds for the 2011 Program Year takes into account the following:

1. Congress has not passed a HUD appropriation bill. The projected funding estimate (\$1,250,000) is based upon a 3% reduction of year 2010 funding (\$1,292,417), as has been anticipated by various HUD news sources.
2. The priorities and objectives of the 5 year Consolidated Plan.
3. County HOME funds must be spent outside the City of Milwaukee.
4. The Wauwatosa and West Allis Consortium member shares are set aside based upon their "hold harmless" amounts of 5.6% and 22.8% respectively.
5. The HOME program requires that 15% of a participating jurisdiction's funds be reserved for housing development by a Community Housing Development Organization (CHDO).
6. The Suburban Home Repair Program, which offers secured 0-3% interest loans and Lead-Hazard Assistance grants to income eligible homeowners for necessary repairs, is continued.

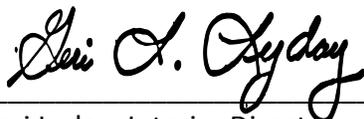
7. The Deferred Home Repair Loan Program, which provides loans at 3% simple interest and Lead Hazard Assistance grants to the lowest income homeowners and defers repayment until the house is sold, is continued. Any funds not used for deferred loans shall be used for loans in the Suburban Home Repair Program.
8. The Homebuyer Assistance Program, which provides downpayment and closing cost assistance to first-time homebuyers, is continued.

The approved use of funds for the 2011 HOME Program will be included, along with the 2011 allocations for the Community Development Block Grant Program, in the 2011 Annual Action Plan. The Plan, considered as a separate item on this agenda, is required by HUD for participation in these programs.

**RECOMMENDATION**

Staff recommends allocation of the 2011 HOME funds as indicated below:

	<u>2011</u>
Wauwatosa (Consortium share)	\$ 63,000
West Allis (Consortium share)	256,500
CHDO Production Set-aside	187,500
Home Repair Loans	468,000
Deferred Payment Home Repair Loans	100,000
Homebuyer Assistance	50,000
Program Administration	<u>125,000</u>
	\$1,250,000




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Geri Lyday, Interim Director  
Department of Health & Human Services

- cc: Marvin Pratt, Interim County Executive  
Terrence Cooley, Chief of Staff – County Board Office  
John Ruggini, Assistant Fiscal & Budget Administrator  
Antionette Thomas-Bailey, DAS  
Glenn Bultman, Analyst - County Board  
Linda Durham, Committee Clerk - County Board

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(ITEM) From the Interim Director, Department of Health and Human Services, Requesting Approval to Allocate Year 2011 HOME Funding, by adoption of the following:

**A RESOLUTION**

WHEREAS, the Milwaukee County Home Consortium, consisting of the Cities of Wauwatosa, West Allis, and the balance of County suburban communities as represented by the County, have entered into a cooperation agreement to apply for and receive annual funding through the federal HOME Investment Partnerships Program; and

WHEREAS, HOME funds are designated for use in affordable housing development programs; and

WHEREAS, an estimated \$1,250,000 will be provided in 2011; now, therefore,

BE IT RESOLVED, that the projected year 2011 HOME funds be allocated as indicated below:

	<u>2011</u>
Wauwatosa (Consortium share)	\$ 63,000
West Allis (Consortium share)	256,500
CHDO Production Set-aside	187,500
Home Repair Loans	468,000
Deferred Payment Home Repair Loans	100,000
Homebuyer Assistance	50,000
Program Administration	<u>125,000</u>
	\$ 1,250,000

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** February 23, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** From the Interim Director, Department of Health and Human Services, Requesting Approval to Allocate Year 2011 HOME Funding

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact   | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required   | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget  | <input type="checkbox"/> Use of contingent funds       |
| <input type="checkbox"/> Decrease Operating Expenditures  |  |
| <input checked="" type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues  |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	1,250,000	1,250,000
	Revenue	1,250,000	1,250,000
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

**DESCRIPTION OF FISCAL EFFECT**

**In the space below, you must provide the following information. Attach additional pages if necessary.**

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Interim Director of the Department of Health and Human Services is requesting authorization to allocate \$1.25 million in HOME Program funding for 2011.

B. Milwaukee County has annually received approximately \$1.25 million in Federal Housing and Urban Development (HUD) HOME Program grant dollars. This revenue is 100% offset by HOME Program expenditures and associated administrative costs.

C. While recognizing that future Federal allocations of grant awards are always uncertain, it is anticipated that the Federal Department of Housing and Urban Development (HUD) will provide approximately \$1.25 million in grant revenue in 2011. In no case will program expenditures exceed available revenue. As a result, there is no tax levy impact associated with approval of this request.

D. No further assumptions are made.

Department/Prepared By Thomas F. Lewandowski, Fiscal & Management Analyst

Authorized Signature 

Did DAS-Fiscal Staff Review?  Yes  No

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**COUNTY OF MILWAUKEE**  
**Department of Health & Human Services**  
INTER-OFFICE COMMUNICATION

**DATE:** February 24, 2011

**TO:** Supervisor Lee Holloway, Chairman - Milwaukee County Board of Supervisors

**FROM:** Geri Lyday, Interim Director - Department of Health and Human Services

**SUBJECT: FROM THE INTERIM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, REQUESTING BOARD AUTHORIZATION TO TRANSFER \$158,425 OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING FROM THE COUNTY'S CHILD CARE LOAN FUND TO THE COUNTY'S EMERGENCY HOME REPAIR PROGRAM**

**Issue**

The Housing Division is requesting approval to transfer \$158,425 of Community Development Block Grant funding from the County's Child Care Loan Fund to the County's Emergency Home Repair Program.

**Background**

The intent of the Emergency Home Repair Program is to provide home repair loans to low or moderate-income homeowners to make repairs to address problems that threaten their life, health or safety. The Program is flexible to meet the needs of a given situation but most loans are used to address heating plant failures, restoring power outages, rebuilding collapsed sewer or water laterals, securing building access points or other immediate needs. Thus the loans help make sure people have heat, power, water (including hot water), sewer services or a secure home (lockable doors).

The Program makes no cost or 3% interest loans to income eligible single-family home or duplex homeowners. Most of these homeowners lack the income or assets to be bankable with a private lender. Depending on the situation, some of the loans may allow deferred payment.

Loan applications are taken by phone and are expedited as necessary. Particularly urgent problems are resolved within 24 hours. Experienced private contractors registered with the Program carry out the necessary repairs. The homeowner approves the selection of a contractor (generally the low bid) and the final payout for completed work.

The Emergency Home Repair Program is a place of last resort for many low-income homeowners in need of urgent home repairs. The program receives inquiries for assistance

several times a week from homeowners and receives referrals from County Departments, social service agencies, local municipalities, County Supervisors and from building inspections.

### **Discussion**

The Emergency Home Repair Program had been funded with an annual allocation of CDBG funds until three years ago. Since then, the Program has relied on program income, or repayments of prior loans, to originate new loans. This has led to a reduction in program activity. Because the Program makes loans to the County's lowest income homeowners, some borrowers have problems making even modest payments so program income is modest.

In 2009 there were 28 Emergency Home Repair loans committed for a total of \$106,166. In 2010 there were 12 Emergency Home Repair loans committed for a total of \$59,465.

As of February 22, 2011, the Program has only an estimated \$6,000 to commit to additional loans. Because of the nature of the program, it is difficult to rely on Program Income as the only source of funding. There is no longer adequate funding to maintain the Program.

There is \$250,425 in program income in the old Child Care Loan Program. Of this amount, \$156,425 is not being considered for use at this time. A final repayment of \$2,000 from the Neighborhood House will also be added to this fund on June 1, 2011.

These funds are no longer needed for child care loans. In the decision-making process for 2011 CDBG funding, it was determined that the need for the Child Care Loan Program that was created in the 1980s was no longer there, in part, because there are alternative means of building these businesses; no new loans had been originated in years; and the staff that operated the program were no longer present. Per the Rules adopted by the Milwaukee County Board of Supervisors for CDBG funding, Child Day Care Centers are ineligible for CDBG funding.

The Milwaukee County Board of Supervisors has in the past, reallocated some Child Care Loan Funds to the Emergency Home Repair Program. (File No. 04-424 & File No. 06-219)

### **Recommendation**

Staff recommends that the interim director be authorized to transfer \$156,425 as well as the \$2,000 expected on June 1, 2011 for a total of \$158,425 of Community Block Grant (CDBG) funding from the Child Care Loan Fund to the Emergency Home Repair Program.

**Fiscal Effect**

The action has no fiscal effect.



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Geri Lyday, Interim Director  
Department of Health and Human Services

Cc: Marvin Pratt, Interim County Executive  
Terrence Cooley, Chief of Staff – County Board  
John Ruggini, Interim Fiscal and Budget Administrator  
Antionette Thomas-Bailey, Fiscal Management Analyst – DAS  
Glenn Bultman – County Board Analyst  
Linda Durham – Committee Clerk

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5 (ITEM) From the Interim Director, Department of Health and Human Services, Requesting  
6 Board Authorization to Transfer \$158,425 of Community Development Block Grant (CDBG)  
7 Funding From the County's Child Care Loan Fund to the County's Emergency Home Repair  
8 Program, by recommendation of the following:  
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10 **RESOLUTION**

11  
12 WHEREAS, the Housing Division is requesting approval to transfer \$158,425 of  
13 Community Development Block Grant (CDBG) funding from the County's Child Care Loan Fund  
14 to the County's Emergency Home Repair Program; and  
15

16 WHEREAS, the intent of the Emergency Home Repair Program is to provide home repair  
17 loans to low or moderate income homeowners to make repairs to address problems that  
18 threaten life, health or safety; and  
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20 WHEREAS, the Program is flexible to meet the needs of a given situation but most loans  
21 are used to address heating plant failures, restoring power outages, rebuilding collapsed sewer  
22 or water laterals, securing building access points or other immediate needs; and  
23

24 WHEREAS, the Program makes no cost or 3% interest loans to income eligible single-  
25 family or duplex homeowners and some loans may allow deferred payment; and  
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27 WHEREAS, the Program receives inquiries for assistance several times a week from  
28 homeowners and receives referrals from County departments, social service agencies, local  
29 municipalities, County Supervisors and from building inspections; and  
30

31 WHEREAS, the Program now relies on Program income from repayment of loans to  
32 originate new loans but, due to the nature of the Program, loan repayment income is  
33 insufficient to maintain the Program and has resulted in a reduction in Program activity; and  
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35 WHEREAS, in 2009 there were 28 Emergency Home Repair loans committed for a total  
36 of \$106,166 and in 2010 there were 12 Emergency Home Repair loans committed for a total of  
37 \$59,465; and  
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39 WHEREAS, as of February 22, 2011 the Program has only an estimated \$6,000 to  
40 commit to additional loans; and  
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42 WHEREAS, there is \$250,425 in program income in the old Child Care Loan Program of  
43 which \$156,425 is not being considered for use at this time, plus an expected repayment of  
44 \$2,000 from Neighborhood House coming June 1, 2011; and

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WHEREAS, the program income from the Child Care Loan Program is no longer needed for child care loans since Milwaukee County included in its CDBG rules that Child Day Care Centers are no longer eligible for funding; and

WHEREAS, Milwaukee County has, in the past, reallocated some Child Care Loan Funds to the Emergency Home Repair Program (File no. 04-424 and File No. 06-219); now, therefore,

BE IT RESOLVED, that the County Board of Supervisors hereby authorizes the Interim Director of the Department of Health and Human Services to transfer \$158,425 of Community Development Block Grant (CDBG) funding from the Milwaukee County's Child Care Loan Fund to the Emergency Home Repair Program.

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE: February 24, 2011**

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT: FROM THE INTERIM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, REQUESTING AUTHORIZATION TO TRANSFER \$158,425 OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING FROM THE COUNTY'S CHILD CARE LOAN FUND TO THE COUNTY'S EMERGENCY HOME REPAIR PROGRAM**

**FISCAL EFFECT:**

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| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds       |
| <input type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure		
	Revenue		
	Net Cost		
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

**DESCRIPTION OF FISCAL EFFECT**

**In the space below, you must provide the following information. Attach additional pages if necessary.**

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

The amount requested to be transferred from the Child Care Loan Fund to the Emergency Home Repair Program is \$158,425. There is no tax levy impact resulting from approval of this request.

Department/Prepared By: Leonard Jackson

Authorized Signature 

Did DAS-Fiscal Staff Review?  Yes  No

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**DATE:** February 21, 2011

**TO:** Supervisor Lee Holloway, Chairman, Milwaukee County Board of Supervisors

**FROM:** Geri Lyday, Interim Director, Department of Health and Human Services

**SUBJECT: FROM THE INTERIM DIRECTOR OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, REQUESTING AUTHORIZATION TO SIGN COOPERATION AGREEMENTS FOR YEARS 2012, 2013 AND 2014 DESIGNATING MILWAUKEE COUNTY AS AN URBAN COUNTY FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

**Issue**

Federal Housing and Urban Development (HUD) regulations require the local governing body (Milwaukee County) to enter into cooperation agreements with enough jurisdictions for years 2012, 2013, and 2014 to achieve a combined population of 200,000.

Section V.B. of the U.S. Department of Housing and Urban Development Notice CPD-10-02 governing cooperation agreements for urban counties under above referenced programs, requires a statement from a participating county's legal counsel that the terms of the agreement are fully authorized under state and local law. (See attached letter from Corporation Counsel).

The last cooperation agreement for years 2009, 2010, and 2011 was signed in 2008. The current cooperation agreement for years 2012, 2013 and 2014 is similar to the previous cooperation agreements the municipalities signed.

**Background**

Milwaukee County was designated as an urban county in December of 1977. In order to be designated as an urban county, Milwaukee County was required to enter into cooperation agreements with enough jurisdictions to achieve a combined population of 200,000. Fourteen suburban municipalities signed cooperation agreements and participated in the program in 1978. In 1979, a fifteenth municipality was added, and in 1982, a sixteenth was added. The cooperation agreements must be signed every three years. The current participating municipalities are:

Bayside	Hales Corners
Brown Deer	Oak Creek
Cudahy	River Hills

Fox Point  
Franklin  
Glendale  
Greendale  
Greenfield

St. Francis  
Shorewood  
South Milwaukee  
West Milwaukee  
Whitefish Bay

The city of Milwaukee, Wauwatosa and West Allis each contain populations greater than 50,000 and are entitled to receive their own Block Grants.

Milwaukee County receives over \$1.8 million each year to conduct community development and housing activities. It is the County's responsibility to administer, coordinate, and oversee the community development program to ensure that the program is carried out in accordance with national policies and objectives. The U.S. Department of Housing and Urban Development (HUD) is the federal agency responsible for allocating funds and monitoring compliance with national policies and objectives.

Administrative costs, as required by HUD, can amount to less than 20% of the grant. The remainder of the grant is divided equally between the County and the participating municipalities. The County's half of the grant is used to fund activities designed to meet needs which are generally County-wide in nature. The other half of the grant is reserved for the participating municipalities to conduct activities designed to meet specific local needs.

### **Recommendation**

It is recommended that the County Board of Supervisors authorize the Interim Director to carry out all steps necessary to get the cooperation agreements signed.

### **Fiscal Effect**

The action has no fiscal effect.



\_\_\_\_\_  
Geri Lyday, Interim Director  
Department of Health and Human Services

cc: Marvin Pratt, Interim County Executive  
Terrence Cooley, Chief of Staff – County Board  
John Ruggini, Acting Fiscal and Budget Administrator  
Antionette Thomas-Bailey, Fiscal Analyst - DAS  
Glenn Bultman – County Board Analyst  
Linda Durham – Committee Clerk

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4 (Item) From the Interim Director of the Department of Health and Human Services Requesting  
5 Authorization to Sign Cooperation Agreements for Years 2012, 2013 and 2014 Designating  
6 Milwaukee County as an Urban County for the Community Development Block Grant (CDBG),  
7 by recommending adoption of the following:  
8

9 **A RESOLUTION**

10  
11 WHEREAS, the United States Congress enacted the Housing and Community  
12 Development Act of 1974 (P.L. 93-383) as amended, (hereinafter referred to as "The Act")  
13 providing Federal assistance for the support of community development activities which are  
14 directed toward the specific objectives identified in Section 101 of The Act; and  
15

16 WHEREAS, the United States Congress also enacted the Cranston-Gonzalez National  
17 Affordable Housing Act (P.L. 100-625) as amended, (hereinafter referred to as NAHA) providing  
18 Federal assistance for, among other things, the HOME investment Partnership program  
19 (hereinafter referred to as HOME) which is intended to increase the number of families served  
20 with decent, safe, sanitary, and affordable housing and to expand the long term supply of  
21 affordable housing; and  
22

23 WHEREAS, The Act makes possible the allocation of funds to Milwaukee County for the  
24 purpose of undertaking only community development program activities identified in Section  
25 105 of The Act; and  
26

27 WHEREAS, NAHA makes possible the allocation of funds to Milwaukee County for the  
28 purpose of undertaking housing programs identified in Section 211 of NAHA; and  
29

30 WHEREAS, the County intends to apply to the U.S. Department of Housing and Urban  
31 Development (hereinafter referred to as "HUD") for funds authorized under The Act and NAHA;  
32 and  
33

34 WHEREAS, The Act recognizes that The Municipality may enter into cooperation  
35 agreements with The County in order to undertake housing and community development  
36 activities as authorized in Section 105 of The Act; and  
37

38 WHEREAS, The County and The Municipality have determined that joint action is an  
39 effective way to accomplish the purposes of said Act and NAHA; and  
40

41 WHEREAS, counties in Wisconsin, pursuant to Wisconsin Statutes 59.01 and  
42 municipalities in Wisconsin, pursuant to Wisconsin Statutes 66.0301 have the necessary  
43 authority to enter into contracts of the type herein contemplated; and  
44

45           WHEREAS, the purpose of this agreement is to establish the mutual desire to cooperate  
46 to undertake, or to assist in undertaking, community renewal and lower income housing  
47 assistance activities, by means of submitting a Consolidated Plan and Annual Action Plan for  
48 both HUD Community Development Block Grant Funds (CDBG) as an Urban County from  
49 Federal Fiscal Years 2012, 2013, and 2014 appropriation and from any program income  
50 generated from the expenditure of such funds, and HUD HOME funds from appropriations in  
51 the same three (3) Federal Fiscal years and from any program income generated from the  
52 expenditure of such funds, now, therefore,

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54           BE IT RESOLVED, that the County Board of Supervisors hereby authorizes the Interim  
55 Director of the Department of Health and Human Services, or designee, to enter into an  
56 Agreement with each of the 16 municipalities to establish the mutual desire to cooperate to  
57 undertake, or assist in undertaking, community renewal and lower income housing assistance  
58 activities, by means of submitting a Consolidated Plan and Annual Action Plan for both HUD  
59 Community Development Block Grant Funds (CDBG) as an Urban County from Federal Fiscal  
60 Years, 2012, 2013, and 2014 appropriation and from any program income generated from the  
61 expenditure of such funds, and HUD HOME funds from appropriations in the same three (3)  
62 Federal Fiscal years and from any program income generated from the expenditure of such  
63 funds.

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** February 23, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** FROM THE INTERIM DIRECTOR OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, REQUESTING AUTHORIZATION TO SIGN COOPERATION AGREEMENTS FOR YEARS 2012, 2013 AND 2014 DESIGNATING MILWAUKEE COUNTY AS AN URBAN COUNTY FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

**FISCAL EFFECT:**

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|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds       |
| <input type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	1,800,000	1,800,000
	Revenue	1,800,000	1,800,000
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

**In the space below, you must provide the following information. Attach additional pages if necessary.**

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Interim Director of the Department of Health and Human Services is requesting authorization to sign Cooperation Agreements with area municipalities for years 2012, 2013 and 2014 designating Milwaukee County as an Urban County for the Federal Housing and Urban Development (HUD) Community Development Block Grant (CDBG) and Home Programs.

B. Through designation as an Urban County, Milwaukee County has annually received approximately \$1.8 million in Federal Housing and Urban Development (HUD) grant dollars, which are shared with the participating municipalities. Milwaukee County also assumes responsibility to administer, coordinate, and oversee the community development program to ensure that the program is carried out in accordance with national policies and objectives.

C. While recognizing that future Federal allocations of grant awards are always uncertain, it is anticipated that the Federal Department of Housing and Urban Development (HUD) will provide approximately \$1.8 million in grant revenue in each of the years covered by the Cooperation Agreement. In no case will program expenditures exceed available revenue. As a result, there is no tax levy impact associated with approval of this request.

D. No further assumptions are made.

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Department/Prepared By: Thomas F. Lewandowski, Fiscal & Management Analyst

Authorized Signature

*Leri A. Syday*

Did DAS-Fiscal Staff Review?

Yes

No

February 3, 2011

Sernorma Mitchell  
U.S. Department of Housing and Urban Development  
310 W. Wisconsin Ave., Suite 1380  
Milwaukee, WI 53203

RE: Community Development Block Grant Program  
HOME Investment Program  
Legal Opinion Regarding Cooperation Agreement

Dear Ms. Mitchell:

Section V.B. of the U. S. Department of Housing and Urban Development Notice CPD-10-02 governing cooperation agreements for urban counties under above referenced programs, requires a statement from a participating county's legal counsel that the terms of the agreement are fully authorized under state and local law.

We reaffirm our previous opinions to the HUD area director, including our letters of December 13, 1977, November 23, 1981, September 20, 1984, September 15, 1987, July 27, 1990, April 14, 1993, May 17, 1997, May 10, 1999 and June 10, 2002, in that regard. The terms and provisions of the current agreement are fully authorized under state and local law and the agreement provides full legal authority of Milwaukee County to undertake and to assist in undertaking essential community renewal and lower income housing assistance activities. A resolution authorizing the cooperation agreement for program years 2012-2014 has been duly adopted by the Milwaukee County Board of Supervisors under County Board File No. \_\_\_\_\_.

Very truly yours,

JOHN JORGENSEN  
Principal Assistant  
Corporation Counsel

Cc: Leonard Jackson, Community Development Block Grant Program Coordinator

## COOPERATION AGREEMENT

THIS AGREEMENT entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between Milwaukee County, Wisconsin (hereinafter referred to as "The County") and the \_\_\_\_\_, (hereinafter referred to as "The Municipality").

### WITNESSETH:

WHEREAS, the United States Congress enacted the Housing and Community Development Act of 1974 (P.L. 93-383) as amended, (hereinafter referred to as "The Act") providing Federal assistance for the support of community development activities which are directed toward the specific objectives identified in Section 101 of The Act; and

WHEREAS, the United States Congress also enacted the Cranston-Gonzalez National Affordable Housing Act (P.L. 100-625) as amended, (hereinafter referred to as NAHA) providing Federal assistance for, among other things, the HOME Investment Partnership program (hereinafter referred to as HOME) which is intended to increase the number of families served with decent, safe, sanitary, and affordable housing and to expand the long-term supply of affordable housing; and

WHEREAS, The Act makes possible the allocation of funds to Milwaukee County for the purpose of undertaking only community development program activities identified in Section 105 of The Act; and

WHEREAS, NAHA makes possible the allocation of funds to Milwaukee County for the purpose of undertaking housing programs identified in Section 211 of NAHA; and

WHEREAS, the County intends to apply to the U.S. Department of Housing and Urban Development (hereinafter referred to as "HUD") for funds authorized under The Act and NAHA; and

WHEREAS, The Act recognizes that The Municipality may enter into cooperation agreements with The County in order to undertake housing and community development activities as authorized in Section 105 of The Act; and

WHEREAS, The County and The Municipality have determined that joint action is an effective way to accomplish the purposes of said Act and NAHA; and

WHEREAS, counties in Wisconsin, pursuant to Wisconsin Statutes 59.01 and municipalities in Wisconsin, pursuant to Wisconsin Statutes 66.0301 have the necessary authority to enter into contracts of the type herein contemplated;

NOW, THEREFORE, upon the consideration of the mutual promises contained herein, it is agreed between The County and The Municipality as follows:

#### PURPOSE

The purpose of this Agreement is to establish the mutual desire to cooperate to undertake, or assist in undertaking, community renewal and lower income housing assistance activities, by means of submitting a Consolidated Plan and Annual Action Plan for both HUD Community Development Block Grant Funds (CDBG) as an Urban County from Federal Fiscal Years 2012, 2013, and 2014 appropriation and from any program income generated from the expenditure of such funds, and HUD HOME funds from appropriations in the same three (3) Federal Fiscal years and from any program income generated from the expenditure of such funds.

#### CONSIDERATION

The Municipality, by the execution of this Cooperation Agreement, agrees to have its population, extent of poverty, extent of housing over-crowding, extent of growth lag (if any), and age of its housing, all as defined in The Act, included in the formula allocation set forth in The Act for the purpose of determining the allocation of funds to The County. The County agrees to include The Municipality as part of its Annual Action Plan to be submitted to HUD under the terms and conditions of The Act.

## RESTRICTIONS

Neither Milwaukee County nor The Municipality shall have a veto or other restrictive power which would in any way limit the cooperation of the parties to this Agreement or obstruct the implementation of the approved Consolidated Plan during the period covered by this Agreement.

## TERM

The term of this Agreement shall be three (3) years commencing the day of execution and continuing through the three entire Program Years 2012, 2013, and 2014 and for such additional time as may be required for the expenditure of program income received and of funds granted through The Act and NAHA to Milwaukee County for such period, as defined by HUD regulations and included within HUD Notice CPD 05-01. A municipality executing an Agreement for participation shall not have the opportunity to terminate or withdraw from the Agreement during the period that this Agreement is in effect. This Agreement shall be in effect for three successive years and remain in effect until the CDBG and HOME funds and program income received with respect to activities carried out during the three-year period are expended and the funded activities completed.

## PROVISIONS

Milwaukee County and the \_\_\_\_\_ agree to undertake all actions necessary to assure compliance with Milwaukee County's certification required by Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended, including Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Section 109 of Title I of the Housing and Community Development Act of 1974, provisions of the National Environmental Policy Act of 1969, and other applicable laws. In addition, The Municipality is subject to the same requirements applicable to subrecipients, pursuant to 24 CFR 570.501(b), including the requirement of a written agreement as set forth in 24 CFR 570.503.

Non-compliance by The Municipality with any of the provisions above may constitute non-compliance by The County which may provide cause for funding sanctions or other remedial actions by the Department of Housing and Urban Development. Further, Urban County Community Development funding is prohibited for activities in or in support of any cooperating unit of government that does not affirmatively further fair housing within its own jurisdiction or that impedes The County's actions to comply with its fair housing certification.

Nothing contained in this Agreement shall deprive any Municipality of any power of zoning, development control or other lawful authority that it presently possesses.

Pursuant to HUD regulations, The Municipality may not apply for grants under the Small Cities or State CDBG Programs from appropriations for fiscal years during the period in which it is participating in the Urban County's CDBG program.

Pursuant to HUD regulations, The Municipality may not participate in a HOME consortium except through The County, regardless of whether The County receives a HOME formula allocation. However, this Agreement does not preclude The County or The Municipality from applying for State HOME funds.

The Municipality attests that it has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

The Municipality must inform The County of any income generated by the expenditure of Community Development Block Grant funds received by The Municipality.

Any such program income must be paid to The County, or if the completion of an approved activity should require the use of program income, The Municipality may retain said income upon mutual agreement of The County and The Municipality.

Any program income The Municipality is authorized to retain may only be used for eligible activities in accordance with all Community Development Block Grant requirements as may then apply.

The Municipality must establish and maintain appropriate record keeping and reporting of any retained program income and make such available to The County in order that The County can meet its monitoring and reporting responsibilities to the U.S. Department of Housing and Urban Development.

If the Milwaukee County Urban County Community Development program is, at some future date, closed-out, or if the status of The Municipality's participation in the Milwaukee County Urban County Community Development program changes, any program income retained by The Municipality, or received subsequent to the close-out or change in status, shall be paid to The County.

If The Municipality utilizes in whole or in part, funds covered by this Agreement to acquire and/or improve real property which will be within the control of the Municipality, then the following standards shall apply:

1. The Municipality will notify The County in advance of any modification or change in the use of real property from that planned at the time of the acquisition or improvement, including disposition;
2. The Municipality will, if acquired or improved property is sold or transferred for a use which is not an eligible Community Development Block Grant activity, reimburse The County in an amount equal to the current fair market value (less any portion thereof attributable to expenditures of non-Community Development Block grant Funds); and

3. Program income generated from the disposition or transfer of property acquired and/or improved in whole or in part with Community Development Block Grant funds prior to or subsequent to the close-out, change of status, or termination of this Cooperation Agreement shall be treated under the provisions of this Agreement concerning program income.

The above Cooperation Agreement has been authorized by the governing body of the \_\_\_\_\_, by law, dated \_\_\_\_\_ (copy attached), and is executed this \_\_\_\_\_ day of \_\_\_\_\_, 2011 by the Chief Executive of the \_\_\_\_\_.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

The above Cooperation Agreement has been authorized by the Milwaukee County Board of Supervisors under Resolution No. \_\_\_\_\_, dated \_\_\_\_\_, (copy attached), and is executed this \_\_\_\_\_ day of \_\_\_\_\_, 2011 by the Director of the Department of Health & Human Services of Milwaukee County.

\_\_\_\_\_  
Geri Lyday, Interim Director  
Department of Health & Human Services

CDBG/Agree/2011LJ  
1/25/2011

INTER-OFFICE COMMUNICATION

DATE: March 2, 2011  
 TO: Committee on Economic and Community Development  
 FROM: Craig C. Dillmann, Manager, Real Estate Services  
 SUBJECT: Report on 2010 Real Estate Sales Activity. **(INFORMATION ONLY)**

Budgeted revenue from the sale of capital assets in 2010 was \$400,000.00. The revenue realized from real estate sales activity by the Real Estate Division in 2010 is as follows:

\$	483,989.00	Gross Real Estate Sales Revenue
	<u>( 7,665.75)</u>	Less Sales Expenses
\$	<b>476,323.25</b>	<b>2010 Net Real Estate Sales Revenue</b>

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Craig C. Dillmann, Manager  
 Real Estate Services

Meeting Date: March 7, 2011

Cc: Marvin Pratt, County Executive  
 Lee Holloway, County Board Chairman  
 Jack Takerian, Director of Transportation and Public Works  
 Josh Fudge, Fiscal Mgmt. Analyst - DAS

**REAL ESTATE SERVICES DIVISION****EXCESS LAND SALES STATUS REPORT**

Period ending December 31, 2010

**CLOSED PROPERTIES – REAL ESTATE SALES REVENUE**

<b>Property</b>	<b>Committee Date</b>	<b>Closed</b>	<b>Net Sale Proceeds</b>
Block 1E – Park East Development	March 9, 2009 December 7, 2009	RSC forfeiture	\$ 50,000.00
4900 North Shoreland Avenue, Whitefish Bay	March 8, 2010	April 23, 2010	\$ 84,460.00
2113 South 84 <sup>th</sup> Street, West Allis	March 8, 2010	April 30, 2010	\$ 18,852.88
6375 North 76 <sup>th</sup> St., Milwaukee	October 27, 2008 March 8, 2010	August 31, 2010	\$ 26,314.17
721 Winnebago St. (release of environmental escrow)	March 10, 2008	September 19, 2008	\$ 60,180.79
Land west of the Southwest corner of E. Layton & S. Pennsylvania Avenues	June 12, 2006	October 15 2010	\$ 184,800.00
6614 Vista, Wauwatosa	September 20, 2010	October 15, 2010	\$ 51,715.41
		Total	\$ 476,323.25
		<b>2010 Budget</b>	<b>\$ 400,000.00</b>

INTER-OFFICE COMMUNICATION

DATE: March 2, 2011  
TO: Committee on Economic and Community Development  
FROM: Craig C. Dillmann, Manager, Real Estate Services  
SUBJECT: Status of 2011 excess property sales (**INFORMATION ONLY**)

The Real Estate Services Division of the Department of Transportation and Public Works reports to the Committee, on a monthly basis, the status of excess property sales. Attached is the monthly report for period ending February 2011.

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Craig C. Dillmann, Manager  
Real Estate Services

Meeting Date: March 7, 2011

cc. Marvin Pratt, County Executive  
Lee Holloway, County Board Chairman  
Jack Takerian, Director of Transportation and Public Works  
Josh Fudge, Fiscal Mgmt. Analyst - DAS

**REAL ESTATE SERVICES DIVISION**

EXCESS LAND SALES STATUS REPORT

Period ending February 28, 2011

**CLOSED PROPERTY – UWM, INNOVATION PARK, LLC**

Property	Committee Date	Closed	Net Proceeds
NE Quadrant County Grounds	May 11, 2009	February 15, 2011	\$ 5,000,000.00 <sup>1</sup>

**CLOSED PROPERTIES – REAL ESTATE SALES REVENUE**

Property	Committee Date	Closed	Net Proceeds
<b>2011 Budget</b>			<b>\$ 400,000.00</b>

**PENDING PROPERTY CLOSINGS**

Property	Committee Date	Pending Closing	Sale Proceeds
Block 6E, Park East Development	April 3, 2006	3 <sup>rd</sup> quarter 2011	\$ 406,000.00 <sup>2</sup>
4812 South 39 <sup>th</sup> Street, Greenfield	January 24, 2011	2 <sup>nd</sup> quarter 2011	\$ 78,900.00
<b>TOTAL</b>			<b>\$ 484,900.00</b>

**GENERAL PROPERTY STATUS**

Property	Committee Date	Status	Asking Price
3231 South 122 <sup>nd</sup> Street, West Allis		Available for sale	\$ 189,900.00
5414-22 South Packard Avenue, Cudahy		Available for sale	\$ 35,000.00
5478 South Packard, Cudahy		Available for sale	\$ 19,900.00
3618 East Grange, Cudahy		Available for sale	\$ 4,900.00
3749 East Squire, Cudahy		Available for sale	\$ 25,000.00
8450 West Beatrice Ct., Milwaukee		Available for sale	\$ 375,000.00 <sup>3</sup>
3672 East Lunham Avenue, St. Francis		Available for sale	\$ 69,900.00
3802 East Cudahy Avenue, Cudahy		Available for sale	\$ 38,900.00
1904 S. 94 <sup>th</sup> Street, West Allis		Available for sale	\$ 14,900.00
4500 North Lake Drive, Shorewood	Presenting offers	Available for sale	\$ 575,000.00

1. First installment payment of the \$13,550,000 sales price. See attached comments for full payment schedule.

2. County's share of \$ 700,000 sales price.

3. Net proceeds to Federal Transportation Administration

**REAL ESTATE SERVICES DIVISION**

**SUMMARY DETAIL OF PENDING PROPERTY CLOSINGS**

<b>PROPERTY</b>	<b>BUYER</b>	<b>CLOSING</b>	<b>COMMENTS</b>
Block 6E, Park East	Rainier Properties II, LLC	3 <sup>rd</sup> quarter 2011	Option extension granted until June 30, 2011. If Buyer exercises option closing to occur within 30 days.
4812 South 39 <sup>th</sup> Street	Pauline Steinke	April 30, 2011	Closing date per contract is on or before April 30, 2011
NE Quadrant County Grounds	UWM, Innovation Park, LLC	February 15, 2011	<p>Initial \$5 million paid at closing.</p> <p>County Board extended each of the purchase price installment payment dates after closing by twenty-four (24) months as follows:</p> <ul style="list-style-type: none"> <li>• Second \$5 million payable on February 15, 2014</li> <li>• \$887,500 payable on February 15, 2015</li> <li>• \$887,500 payable on February 15, 2016</li> <li>• \$887,500 payable on February 15, 2017</li> <li>• \$887,500 payable on February 15, 2018</li> </ul>

**COUNTY OF MILWAUKEE**  
**INTER-OFFICE COMMUNICATION**

DATE: February 16, 2011

TO: Committee on Economic & Community Development  
Committee on Finance and Audit

FROM: Craig C. Dillmann, Manager of Real Estate Services  
Department of Transportation and Public Works

SUBJECT: From the Manager, Real Estate Services, DTPW, monthly informational report for the land sale closing on UWM/Innovation Park.

This is an update from the last report to the Economic and Community Development Committee on January 24, 2011 and the Finance & Audit Committee on January 27, 2011.

On Tuesday, February 15, 2011, the land sale to UWM Innovation Park, LLC was finalized.

Net proceeds to the County at closing from the initial \$5 million payment was \$4,899,999 (Per the Purchase Agreement the Milwaukee County Research Park Corporation received \$100,000 for the release of their interests in the land and UWM Innovation Park, LLC received a \$1.00 credit as the lease payment for the Parks Administration Building, which accommodates the Department of Parks, Recreation and Culture).

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Craig C. Dillmann, Manager  
Real Estate Services

Meeting Dates: March 7, 2011 (ECD committee)  
March 10, 2011 (F&A committee)

cc: Marvin Pratt, County Executive  
Lee Holloway, County Board Chairman

Supervisor James Schmitt, District 19  
Jack Takerian, Director- DPTW  
John Ruggini, Interim Fiscal & Budget Administrator, DAS  
Josh Fudge, Fiscal Mgt Analyst-DAS

cd\UWM Finance/ECD update March 2011

## INTER-OFFICE COMMUNICATION

DATE: March 2, 2011

TO: Supervisor Theo Lipscomb, Vice Chairperson  
Committee on Economic & Community Development

FROM: Craig C. Dillmann, Manager, Real Estate Services

SUBJECT: Offers to purchase on a County-owned single-family house located at 4500 North Lake Drive, Shorewood, Wisconsin.

POLICY ISSUE:

County Board Resolution File No. 11-14 was established by the County Board Chairperson relative to offers-to-purchase on lands under County control.

BACKGROUND:

The Real Estate Division of the Department of Transportation and Public Works received nine Offers to Purchase on a single-family house located at 4500 North Lake Drive in the Village of Shorewood. Milwaukee County acquired the subject property through tax foreclosure proceedings by the County Treasurer. A copy of the recommended primary offer as well as an exhibit depicting the location of the property is attached.

The subject property comprises a 5,887 square foot single-family house with 6 bedrooms, 4 baths, 2 half-baths and an attached 3-car garage. The property has dimensions of 100' X 653' and is located on Lake Michigan. The house has suffered many years of neglect and must be completely renovated inside and out. Several roof leaks have caused widespread interior water damage.

Staff hired an architectural firm to inspect the property for structural soundness and feasibility of renovation. The architects concluded that the property was sound and could be renovated at a cost of around one million dollars. Staff also obtained two appraisals by independent licensed appraisers. One appraiser valued the property in its "as is" condition at \$550,000 and the other at \$600,000. Staff offered the property to the general public in its "as is" condition with an asking price of \$575,000.

The property was listed in the Multiple Listing Service, the County's website, and a real estate sale sign was placed on the property. More than sixty-five real estate agents showed the property, and staff conducted more than a dozen showings.

Due to the condition of the house a buyer obtaining financing was questionable so it was determined that only cash offers should be submitted. Because of the uniqueness of this property and in order to allow all interested parties an equal opportunity, staff developed a structured submittal process and a standard offer to purchase form. Attached is an instruction sheet explaining the submittal process and the offer form that was made available to all those who were interested in purchasing the property. All offers were submitted directly to the County Clerk's office with a submittal deadline of 4:00 PM Wednesday, February 16, 2011.

Cash offers received are as follows:

Thomas & Iphisenia Smith	\$ 861,000
Nannette Gardetto	740,000
Michael Romaris	678,000
Grace Cord	651,000
Jeffrey T. Eimers	501,000
David Quadracci	416,120
Patrick Sinks	301,000
Heino Omdahl	300,000
Asim & Andrea Khan	175,000

RECOMMENDATION:

Staff respectfully requests that the Committee on Economic and Community Development recommend to the County Board of Supervisors acceptance of the above-described offer from Thomas & Iphisenia Smith in the amount of \$861,000 and in the event Mr. & Mrs. Smith do not fulfill the terms of their offer, acceptance of the above-described offer from Nannette Gardetto in the amount of \$740,000 and in the event Ms. Gardetto does not fulfill the terms of her offer, acceptance of the above-described offer from Michael Romaris in the amount of \$678,000 and in the event Mr. Romaris does not fulfill the terms of his offer, acceptance of the above-described offer from Grace Cord in the amount of \$651,000.

FISCAL NOTE:

Sale proceeds less expenses will be deposited in the Sale of Capital Assets Account 5804-4905.

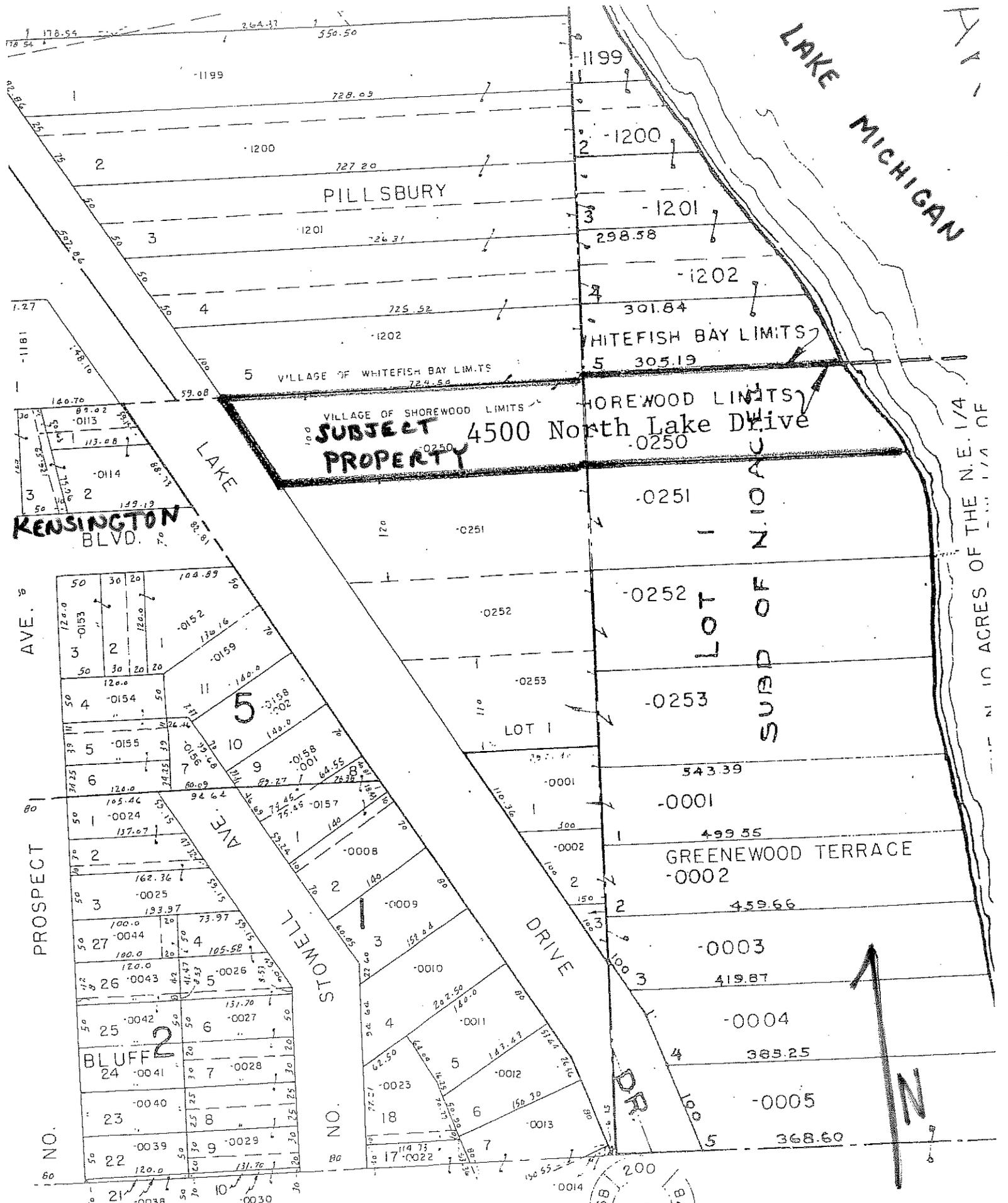
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Craig C. Dillmann, Manager  
Real Estate Services

Meeting Date: March 7, 2011  
Attachments

cc: Marvin Pratt, County Executive  
Supervisor Gerry Broderick, District 3

Supervisor Joseph Rice, District 6  
Jack Takerian, Director of Transportation and Public Works  
Josh Fudge, Fiscal Mgmt. Analyst - DAS



LAKE MICHIGAN

**SUBJECT PROPERTY**  
 4500 North Lake Drive

**KENSINGTON BLVD.**

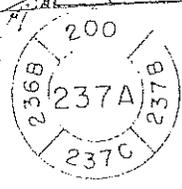
**PROSPECT AVE.**

**STOWELL AVE.**

**DRIVE**

**LOT 1  
 SUBD OF N.1/4**

**GREENWOOD TERRACE**



**SALE OF COUNTY OWNED PROPERTY  
4500 N. LAKE DR., SHOREWOOD, WISCONSIN**

**Instructions for submitting an Offer to Purchase**

**OFFER TO PURCHASE:**

Lines 1, 2 Agents, complete appropriately  
Private parties, cross out both lines  
Line 3 Fill in name(s) as you want them to appear on title  
Lines 8, 9 Fill in your **best** offering price  
Lines 53 – 55 Fill in appropriately  
Line 445 Agents, complete appropriately  
Lines 446/448 Buyer(s) signature and date  
Lines 447/449 Buyer(s) printed name

**LEAD BASE PAINT ADDENDUM:**

Lines 119/121 Agent(s), sign and date, others leave blank  
Lines 120/122 Agent(s), print name, others leave blank  
Lines 131-148 Buyer(s) check one box on line 131, 147, or 148  
Line 155 Buyer(s) sign and date

**Submit two (2) copies of the completed and signed offer and addendum in a sealed envelope labeled "Official Notice No. 6603 Offer to Purchase – 4500 N. Lake Dr." (place your name and address on envelope) on or before 4:00 P.M., Central Standard Time, February 16, 2011 (submittal date) to:**

**Milwaukee County Clerk  
Milwaukee County Courthouse  
901 North 9<sup>th</sup> Street, Room 105  
Milwaukee, WI 53233**

Submittals may be made as follows:

Personal delivery  
Commercial delivery  
U. S. Mail

**PLEASE BE AWARE**

**Submittals must be received by the County Clerk by the submittal date.**  
**Submittals will be time stamped. Any submittals received after the**  
**submittal date will be returned unopened.**

If more than one offer is received, Milwaukee County may accept offers as primary, secondary, tertiary, etc. If the primary offer fails to close then the County will close with the secondary offer then if needed the tertiary, etc. until a closing occurs at which time all remaining accepted offers become null and void. Milwaukee County reserves the right to accept or reject any or all offers for any reason at its sole discretion; and/or to discuss/negotiate the terms and conditions of a submitted offer.

**WB-11 RESIDENTIAL OFFER TO PURCHASE**

1 LICENSEE DRAFTING THIS OFFER ON \_\_\_\_\_ [DATE] IS (AGENT OF BUYER) (AGENT OF SELLER/LISTING  
2 BROKER) (AGENT OF BUYER AND SELLER) **STRIKE ONES NOT APPLICABLE** \_\_\_\_\_, offers

3 **GENERAL PROVISIONS** The Buyer, \_\_\_\_\_ 4500 North Lake Drive  
4 to purchase the Property known as [Street Address] \_\_\_\_\_  
5 in the \_\_\_\_\_ Village of \_\_\_\_\_ Shorewood  
6 County of \_\_\_\_\_ Milwaukee Wisconsin (Insert additional description, if any, at lines 165-172 or 438-444 or attach  
7 as an addendum per line 436), on the following terms:

8  PURCHASE PRICE: \_\_\_\_\_ Dollars (\$ \_\_\_\_\_).  
9 \_\_\_\_\_  
10  EARNEST MONEY of \$ \_\_\_\_\_ accompanies this Offer and earnest money of \$ 5,000.00 will be  
11 mailed, or commercially or personally delivered within 3 days of acceptance to listing broker or Milwaukee  
12 County Real Estate Trust Account

13  THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise provided below.  
14  INCLUDED IN PURCHASE PRICE: Seller is including in the Purchase Price the Property, all Fixtures on the Property on  
15 the date of this Offer not excluded at lines 17-18, and the following additional items: none

16 \_\_\_\_\_  
17  NOT INCLUDED IN PURCHASE PRICE: none

18 \_\_\_\_\_  
19 **CAUTION: Identify Fixtures that are on the Property (see lines 185-195) to be excluded by Seller or which are rented**  
20 **and will continue to be owned by the lessor.**

21 **NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are**  
22 **included/excluded.**

23 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but  
24 identical copies of the Offer.

25 **CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term**  
26 **deadlines running from acceptance provide adequate time for both binding acceptance and performance.**

27 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer  
28 on or before March 31, 2011. Seller may keep the Property  
29 on the market and accept secondary offers after binding acceptance of this Offer.

30 **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**

31 **OPTIONAL PROVISIONS** TERMS OF THIS OFFER THAT ARE PRECEDED BY AN OPEN BOX (  ) ARE PART OF  
32 THIS OFFER ONLY IF THE BOX IS MARKED SUCH AS WITH AN "X." THEY ARE NOT PART OF THIS OFFER IF  
33 MARKED N/A OR ARE LEFT BLANK.

34 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and  
35 written notices to a Party shall be effective only when accomplished by one of the methods specified at lines 36-55.  
36 (1) Personal Delivery: giving the document or written notice personally to the Party, or the Party's recipient for delivery if  
37 named at lines 50 or 53.

38  (2) Commercial Delivery: depositing the document or written notice fees prepaid or charged to an account with a  
39 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery if named at lines 50 or 53  
40 for delivery to the Party's delivery address at lines 51 or 54.

41 N/A (3) Fax: fax transmission of the document or written notice to the following telephone number:  
42 Buyer: (\_\_\_\_\_) \_\_\_\_\_ Seller: (\_\_\_\_\_) \_\_\_\_\_

43  (4) U.S. Mail: depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party,  
44 or to the Party's recipient for delivery if named at lines 50 or 53 for delivery to the Party's delivery address at lines  
45 51 or 54.

46 N/A (5) E-Mail: electronically transmitting the document or written notice to the party's e-mail address, if given below at lines  
47 52 or 55. If this is a consumer transaction where the property being purchased is used primarily for personal, family or  
48 household purposes, each consumer providing an e-mail address below has first consented electronically to the use of  
49 electronic documents, e-mail delivery and electronic signatures in the transaction, as required by federal law.

50 Seller's recipient for delivery (optional): Milwaukee County Clerk's Office  
51 Delivery address for Seller: 901 North 9th Street, Room 105, Milwaukee, WI 52333

52 E-Mail address for Seller (optional): none  
53 Buyer's recipient for delivery (optional): \_\_\_\_\_

54 Delivery address for Buyer: \_\_\_\_\_  
55 E-Mail address for Buyer (optional): \_\_\_\_\_

56 **PERSONAL DELIVERY/ACTUAL RECEIPT** Personal delivery to, or Actual Receipt by, any named Buyer or Seller  
57 constitutes Personal Delivery to, or Actual Receipt by all Buyers or Sellers.

58 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this  
 59 Offer at lines 165-172 or 438-444 or in an addendum attached per line 436. At time of Buyer's occupancy, Property shall be  
 60 in broom swept condition and free of all debris and personal property except for personal property belonging to current  
 61 tenants, or that sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if  
 62 any.

63 **DEFINITIONS**

- 64 ■ **ACTUAL RECEIPT:** "Actual receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or  
 65 written notice physically in the Party's possession, regardless of the method of delivery.
- 66 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions affecting the Property or transaction" are  
 67 defined to include:
- 68 a. Defects in the roof.  
 69 b. Defects in the electrical system.  
 70 c. Defects in part of the plumbing system (including the water heater, water softener and swimming pool) that is included  
 71 in the sale.  
 72 d. Defects in the heating and air conditioning system (including the air filters and humidifiers).  
 73 e. Defects in the well, including unsafe well water.  
 74 f. Property is served by a joint well.  
 75 g. Defects in the septic system or other sanitary disposal system.  
 76 h. Underground or aboveground fuel storage tanks on or previously located on the property. (If "yes", the owner, by law,  
 77 may have to register the tanks with the Department of Commerce at P.O. Box 7970, Madison, Wisconsin, 53707,  
 78 whether the tanks are in use or not. Regulations of the Department of Commerce may require the closure or removal of  
 79 unused tanks.)  
 80 i. "LP" tank on the property (specify in the additional information whether the tank is owned or leased).  
 81 j. Defects in the basement or foundation (including cracks, seepage and bulges).  
 82 k. Property is located in a floodplain, wetland or shoreland zoning area.  
 83 l. Defects in the structure of the Property.  
 84 m. Defects in mechanical equipment included in the sale either as Fixtures or personal property.  
 85 n. Boundary or lot line disputes, encroachments or encumbrances (including a joint driveway).  
 86 o. Defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, lead in  
 87 paint, lead in soil, lead in water supplies or plumbing system, or other potentially hazardous or toxic substances on the  
 88 Property. **NOTE: specific federal lead paint disclosure requirements must be complied with in the sale of most**  
 89 **residential properties built before 1978.**  
 90 p. Presence of asbestos or asbestos-containing materials on the Property.  
 91 q. Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic  
 92 substances on neighboring properties.  
 93 r. Current or previous animal, insect, termite, powder-post beetle or carpenter ant infestations.  
 94 s. Defects in a wood burning stove or fireplace or of defects caused by a fire in a stove or fireplace or elsewhere on the  
 95 Property.  
 96 t. Remodeling affecting the Property's structure or mechanical systems or additions to Property during Seller's ownership  
 97 without required permits.  
 98 u. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition.  
 99 v. Notice of property tax increases, other than normal annual increases, or pending property reassessment.  
 100 w. Remodeling that may increase Property's assessed value.  
 101 x. Proposed or pending special assessments.  
 102 y. Property is located within a special purpose district, such as a drainage district, that has the authority to impose  
 103 assessments against the real property located within the district.  
 104 z. Proposed construction of a public project that may affect the use of the Property.  
 105 aa. Subdivision homeowners' associations, common areas co-owned with others, zoning violations or nonconforming uses,  
 106 rights-of-way, easements or another use of a part of the Property by non-owners, other than recorded utility easements.  
 107 bb. Structure on the Property is designated as an historic building or part of the Property is in an historic district.  
 108 cc. Any land division involving the Property for which required state or local permits had not been obtained.  
 109 dd. Violation of applicable state or local smoke detector laws; **NOTE: State law requires operating smoke detectors on**  
 110 **all levels of all residential properties.**  
 111 ee. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the  
 112 Property.  
 113 ff. Other defects affecting the Property.
- 114 **(Definitions Continued on page 4)**

Property Address: 4500 North Lake Drive, Shorewood, WI

April 29, 2011

at the place

115 **CLOSING** This transaction is to be closed no later than  
116 selected by Seller, unless otherwise agreed by the Parties in writing.

117 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing  
118 values: real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owner's association  
119 assessments, fuel and \_\_\_\_\_

120 **CAUTION: Provide basis for fuel prorations if date of closing value will not be used.**  
121 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing. Net  
122 general real estate taxes (defined as general property taxes after state tax credits and lottery credits are deducted) shall be  
123 prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

124  **N/A** The net general real estate taxes for the preceding year, or the current year if available (NOTE: THIS CHOICE  
125 APPLIES IF NO BOX IS CHECKED)

126  **N/A** Current assessment times current mill rate (current means as of the date of closing)

127  **N/A** Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior  
128 year, or current year if known, multiplied by current mill rate (current means as of the date of closing)

129  **X** Property is tax exempt for 2011 pursuant to WI Stats.

130 **CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be**  
131 **substantially different than the amount used for proration especially in transactions involving new construction,**  
132 **extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local**  
133 **assessor regarding possible tax changes.**

134  **N/A** Buyer and Seller agree to re-prorate the real estate taxes, within 30 days after the actual tax bill is received for the  
135 year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer and Seller agree this is a post-closing  
136 obligation and is the responsibility of the Parties to complete, not the responsibility of the real estate brokers in this  
137 transaction.

138 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights  
139 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the  
140 (written) (oral)  **STRIKE ONE** lease(s), if any, are No Leases  
141 \_\_\_\_\_ . Insert additional terms, if any, at lines 165-172 or 438-444 or attach as an addendum per line 436.

142 **RENTAL WEATHERIZATION** This transaction (is) (is not)  **STRIKE ONE** exempt from State of Wisconsin Rental  
143 Weatherization Standards (Wis. Admin. Code Ch. Comm 67). (Buyer) (Seller)  **STRIKE ONE** ("Buyer" if neither is stricken)  
144 will be responsible for compliance, including all costs, with applicable Rental Weatherization Standards (Wis. Admin. Code  
145 Ch. Comm 67). If Seller is responsible for compliance, Seller shall provide a Certificate of Compliance at closing.

146 **REAL ESTATE CONDITION REPORT** Wisconsin law requires owners of property which includes 1-4 dwelling units to  
147 provide Buyers with a Real Estate Condition Report. Excluded from this requirement are sales of property that has never  
148 been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for  
149 example, personal representatives who have never occupied the Property). The form of the Report is found in Wis. Stat. §  
150 709.03. The law provides: "§ 709.02 Disclosure . . . the owner of the property shall furnish, not later than 10 days after  
151 acceptance of the contract of sale . . . to the prospective Buyer of the property a completed copy of the report . . . A  
152 prospective Buyer who does not receive a report within the 10 days may, within 2 business days after the end of that 10 day  
153 period, rescind the contract of sale . . . by delivering a written notice of rescission to the owner or the owner's agent." Buyer  
154 may also have certain rescission rights if a Real Estate Condition Report disclosing defects is furnished before expiration of  
155 the 10 days, but after the Offer is submitted to Seller. Buyer should review the report form or consult with an attorney for  
156 additional information regarding rescission rights.

157 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no  
158 notice or knowledge of conditions affecting the Property or transaction (lines 66-113) other than those identified in Seller's  
159 Real Estate Condition Report dated \_\_\_\_\_ Report exempt \_\_\_\_\_, which was received by Buyer prior to Buyer  
160 signing this Offer and which is made a part of this Offer by reference  **COMPLETE DATE OR STRIKE AS APPLICABLE** and  
161 Buyer relies on their own inspections and purchases the property in its "as is" condition.  
162 Buyer is responsible for obtaining any environmental testing, if desired, at Buyer's cost.  
163 Buyer shall not hold Seller liable for any environmental contamination found on property.  
164  **INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT**

165 **ADDITIONAL PROVISIONS/CONTINGENCIES** Acceptance of this offer and sale of property is  
166 contingent upon the approval of the Milwaukee County Board of Supervisors and the County  
167 Executive.  
168 \_\_\_\_\_  
169 \_\_\_\_\_  
170 \_\_\_\_\_  
171 \_\_\_\_\_  
172 \_\_\_\_\_

173 **DEFINITIONS CONTINUED FROM PAGE 2**

174 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by  
 175 excluding the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the  
 176 last day. Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public  
 177 holiday under Wisconsin or Federal law, and other day designated by the President such that the postal service does not  
 178 receive registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from  
 179 the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24  
 180 hours per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such  
 181 as closing, expire at midnight of that day.

182 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the property; that would  
 183 significantly impair the health or safety of future occupants of the property; or that if not repaired, removed or replaced would  
 184 significantly shorten or adversely affect the expected normal life of the premises.

185 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land or  
 186 improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily  
 187 removable without damage to the premises, items specifically adapted to the premises and items customarily treated as  
 188 fixtures, including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows;  
 189 electric lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and  
 190 attached equipment; water heaters and treatment systems; sump pumps; attached or fitted floor coverings; awnings;  
 191 attached antennas; garage door openers and remote controls; installed security systems; central vacuum systems and  
 192 accessories; in-ground sprinkler systems and component parts; built-in appliances; ceiling fans; fences; storage buildings on  
 193 permanent foundations and docks/piers on permanent foundations.

194 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water  
 195 conditioning systems, home entertainment and satellite dish components, L.P. tanks, etc.) on lines 17-18.**

196 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-6.

197 **PROPERTY DIMENSIONS AND SURVEYS** Buyer acknowledges that any land, building or room dimensions, or total  
 198 acreage or building square footage figures, provided to Buyer by Seller or by a broker, may be approximate because of  
 199 rounding or other reasons, unless verified by survey or other means. Buyer also acknowledges that there are various  
 200 formulas used to calculate total square footage of buildings and that total square footage figures will vary dependent upon  
 201 the formula used.

202 **CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, land, building or  
 203 room dimensions, if material.**

204 **BUYER'S PRE-CLOSING WALK-THROUGH** Within 3 days prior to closing, at a reasonable time pre-approved by Seller  
 205 or Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant  
 206 change in the condition of the Property, except for ordinary wear and tear and changes approved by Buyer, and that any  
 207 defects Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

208 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property until the earlier of  
 209 closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary  
 210 wear and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling  
 211 price, Seller shall be obligated to repair the Property and restore it to the same condition that it was on the day of this Offer.  
 212 No later than closing, Seller shall provide Buyer with lien waivers for all repairs and restoration. If the damage shall exceed  
 213 such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer.  
 214 Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any,  
 215 relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible  
 216 on such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds  
 217 shall be held in trust for the sole purpose of restoring the Property.

Property Address: 4500 North Lake Drive, Shorewood, WI**IF LINE 219 IS NOT MARKED OR IS MARKED N/A LINES 259-265 APPLY.**

218

219  **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written \_\_\_\_\_ days of  
 220 [INSERT LOAN PROGRAM OR SOURCE] first mortgage loan commitment as described below, within \_\_\_\_\_ for a term  
 221 acceptance of this Offer. The financing selected shall be in an amount of not less than \$ \_\_\_\_\_ for a term  
 222 of not less than \_\_\_\_\_ years, amortized over not less than \_\_\_\_\_ years. Initial monthly payments of principal and interest  
 223 shall not exceed \$ \_\_\_\_\_. Monthly payments may also include 1/12th of the estimated net annual real estate taxes,  
 224 hazard insurance premiums, and private mortgage insurance premiums. The mortgage may not include a prepayment  
 225 premium. Buyer agrees to pay discount points and/or loan origination fee in an amount not to exceed \_\_\_\_\_ % of the loan.  
 226 If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted to the  
 227 same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to  
 228 maintain the term and amortization stated above.

229 **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 230 or 231.**

230  **FIXED RATE FINANCING:** The annual rate of interest shall not exceed \_\_\_\_\_ %.  
 231  **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed \_\_\_\_\_ %. The initial interest  
 232 rate shall be fixed for \_\_\_\_\_ months, at which time the interest rate may be increased not more than \_\_\_\_\_ % per  
 233 year. The maximum interest rate during the mortgage term shall not exceed \_\_\_\_\_ %. Monthly payments of principal  
 234 and interest may be adjusted to reflect interest changes.

235 If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines  
 236 165-172 or 438-444 or in an addendum attached per line 436.

237 **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs, to promptly apply for a  
 238 mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan  
 239 described in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan  
 240 commitment no later than the deadline at line 220. **Buyer and Seller agree that delivery of a copy of any written loan  
 241 commitment to Seller (even if subject to conditions) shall satisfy Buyer's financing contingency if, after review of  
 242 the loan commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall  
 243 accompany the loan commitment. Delivery shall not satisfy this contingency if accompanied by a notice of  
 244 unacceptability.**

245 **CAUTION:** The delivered commitment may contain conditions Buyer must yet satisfy to obligate the lender to  
 246 provide the loan. **BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHALL NOT DELIVER A LOAN  
 247 COMMITMENT TO SELLER OR SELLER'S AGENT WITHOUT BUYER'S PRIOR WRITTEN APPROVAL OR UNLESS  
 248 ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

249 **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment; Seller may terminate this  
 250 Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written loan  
 251 commitment.

252 **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already  
 253 delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of  
 254 same including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is  
 255 named in this Offer, Seller shall then have 10 days to deliver to Buyer written notice of Seller's decision to finance this  
 256 transaction on the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for  
 257 closing extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to  
 258 obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

259 **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Buyer shall provide Seller within 7 days of acceptance written  
 260 evidence from a financial institution or a third party in control of the funds, that Buyer shall have the required funds available  
 261 at closing. If Buyer does not provide written evidence, Seller has the right to terminate this Offer by delivering written notice to  
 262 Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing contingency. Seller  
 263 agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands and agrees that  
 264 this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an appraisal contingency,  
 265 nor does the right of access for an appraisal constitute a financing contingency.

266  **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or a lender of Buyer's choice having the Property  
 267 appraised by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated subsequent to the  
 268 date of this Offer indicating an appraised value for the Property equal to or greater than the agreed upon purchase price. This  
 269 contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of acceptance, delivers to Seller, and to listing  
 270 broker if Property is listed, a copy of the appraisal report which indicates that the appraised value is not equal to or greater  
 271 than the agreed upon purchase price. If the appraisal report does not indicate an appraised value for the Property equal to or  
 272 greater than the agreed upon purchase price, Buyer may terminate this Offer upon written notice to Seller.

273 **CAUTION: An appraisal ordered by Buyer's lender may not be received until shortly before closing. Consider  
 274 whether deadlines provide adequate time for performance.**

275 **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of  
276 the Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the  
277 transaction as defined by the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession  
278 data to multiple listing service sold databases; and (iii) provide active listing, pending sale, closed sale and financing  
279 concession information and data, and related information regarding seller contributions, incentives or assistance, and third  
280 party gifts, to appraisers researching comparable sales, market conditions and listings, upon inquiry.

281 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and  
282 conditions of this Offer. A material failure to perform any obligation under this Offer is a default which may subject the  
283 defaulting party to liability for damages or other legal remedies.

284 If Buyer defaults, Seller may:  
285 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or  
286 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for  
287 actual damages.

288 If Seller defaults, Buyer may:  
289 (1) sue for specific performance; or  
290 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

291 In addition, the Parties may seek any other remedies available in law or equity.  
292 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation  
293 and the discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute  
294 resolution instead of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate  
295 in a court of law those disputes covered by the arbitration agreement.

296 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD**  
297 **READ THIS DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS**  
298 **OF THE OFFER BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL**  
299 **RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE**  
300 **CONSULTED IF LEGAL ADVICE IS NEEDED.**

301 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller  
302 regarding the transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds  
303 and inures to the benefit of the Parties to this Offer and their successors in interest.

304 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons  
305 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at  
306 <http://www.widocoffenders.org> or by telephone at (608) 240-5830.

Property Address: 4500 North Lake Drive, Shorewood, WI

307 **N/A CLOSING OF BUYER'S PROPERTY CONTINGENCY:** This Offer is contingent upon the closing of the sale of Buyer's  
308 property located at \_\_\_\_\_, no later than \_\_\_\_\_. If Seller accepts  
309 a bona fide secondary offer, Seller may give written notice to Buyer of acceptance. If Buyer does not deliver to Seller a  
310 written waiver of the Closing of Buyer's Property Contingency and \_\_\_\_\_  
311

312 **[INSERT OTHER REQUIREMENTS, IF ANY (e.g., PAYMENT OF ADDITIONAL EARNEST MONEY, WAIVER OF ALL**  
313 **CONTINGENCIES, OR PROVIDING EVIDENCE OF SALE OR BRIDGE LOAN, etc.)]** within \_\_\_\_\_ hours of Buyer's Actual  
314 Receipt of said notice, this Offer shall be null and void.

315 **N/A SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon delivery  
316 of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer notice  
317 prior to any deadline, nor is any particular secondary buyer given the right to be made primary ahead of other secondary  
318 buyers. Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to delivery of  
319 Seller's notice that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than \_\_\_\_\_ days after acceptance  
320 of this Offer. All other Offer deadlines which are run from acceptance shall run from the time this offer becomes primary.

321 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3)  
322 occupancy; (4) date of closing; (5) contingency deadlines **[STRIKE AS APPLICABLE]** and all other dates and deadlines in  
323 this Offer except: none

324 \_\_\_\_\_  
325 \_\_\_\_\_ . If "Time is of the Essence" applies to a date or  
326 deadline, failure to perform by the exact date or deadline is a breach of contract. If "Time is of the Essence" does not apply  
327 to a date or deadline, then performance within a reasonable time of the date or deadline is allowed before a breach occurs.

328 **TITLE EVIDENCE**

329 **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed  
330 (or other conveyance as provided herein) free and clear of all liens and encumbrances, except: municipal and zoning  
331 ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services,  
332 recorded building and use restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in  
333 Seller's Real Estate Condition Report and in this Offer, general taxes levied in the year of closing and none  
334 \_\_\_\_\_  
335 \_\_\_\_\_

336 \_\_\_\_\_  
337 which constitutes merchantable title for purposes of this transaction. Seller shall complete and execute the documents  
338 necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

339 **WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements**  
340 **may prohibit certain improvements or uses and therefore should be reviewed, particularly if Buyer contemplates**  
341 **making improvements to Property or a use other than the current use.**

342 **TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the  
343 purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall pay all  
344 costs of providing title evidence to Buyer. Buyer shall pay all costs of providing title evidence required by Buyer's  
345 lender.

346 **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's)(Buyer's)  
347 **[STRIKE ONE]** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded  
348 after the effective date of the title insurance commitment and before the deed is recorded, provided the title company will  
349 issue the endorsement. If a gap endorsement or equivalent gap coverage is not available, Buyer may give written notice that  
350 title is not acceptable for closing (see lines 356-362).

351 **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title  
352 insurance commitment is delivered to Buyer's attorney or Buyer not less than 5 business days before closing, showing title  
353 to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 329-  
354 337, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and  
355 exceptions, as appropriate.

356 **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of  
357 objections to title by the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days,  
358 to remove the objections, and the time for closing shall be extended as necessary for this purpose. In the event that Seller is  
359 unable to remove said objections, Buyer shall have 5 days from receipt of notice thereof, to deliver written notice waiving the  
360 objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer shall be  
361 null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give  
362 merchantable title to Buyer.

363 ■ **SPECIAL ASSESSMENTS/OTHER EXPENSES:** Special assessments, if any, levied or for work actually commenced  
 364 prior to date of this Offer shall be paid by Seller no later than closing. All other special assessments shall be paid by  
 365 Buyer.

366 **CAUTION:** Consider a special agreement if area assessments, property owner's association assessments, special  
 367 charges for current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are  
 368 one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments)  
 369 relating to curb, gutter, street, sidewalk, municipal water, sanitary and storm water and storm sewer (including all  
 370 sewer mains and hook-up/connection and interceptor charges), parks, street lighting and street trees, and impact  
 371 fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)(f).

### 372 **EARNEST MONEY**

373 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker  
 374 (Buyer's agent if Property is not listed or Seller's account if no broker is involved), until applied to purchase price or  
 375 otherwise disbursed as provided in the Offer.

376 **CAUTION:** Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the  
 377 Parties or an attorney. If someone other than Buyer makes payment of earnest money, consider a special  
 378 disbursement agreement.

379 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after  
 380 clearance from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest  
 381 money. At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the  
 382 earnest money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said  
 383 disbursement agreement has not been delivered to broker within 60 days after the date set for closing, broker may disburse  
 384 the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller;  
 385 (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or  
 386 (4) any other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to  
 387 file an interpleader action per (2) and broker may deduct from the earnest money any costs and reasonable attorneys fees,  
 388 not to exceed \$250, prior to disbursement.

389 ■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in  
 390 relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior  
 391 to disbursement per (1) or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If  
 392 Buyer or Seller disagree with broker's proposed disbursement, a lawsuit may be filed to obtain a court order regarding  
 393 disbursement. Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of residential  
 394 property with 1-4 dwelling units and certain other earnest money disputes. Buyer and Seller should consider consulting  
 395 attorneys regarding their legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless  
 396 from any liability for good faith disbursement of earnest money in accordance with this Offer or applicable Department of  
 397 Regulation and Licensing regulations concerning earnest money. See Wis. Adm. Code Ch. RL 18.

398 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a part  
 399 of this offer. An "inspection" is defined as an observation of the Property which does not include testing of the Property,  
 400 other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are  
 401 hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building materials  
 402 from the Property and the laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors, testers  
 403 and appraisers reasonable access to the Property upon advance notice, if necessary to satisfy the contingencies in this  
 404 Offer. Buyer and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's  
 405 authorization for inspections does not authorize Buyer to conduct testing of the Property. NOTE: Any contingency  
 406 authorizing testing should specify the areas of the Property to be tested, the purpose of the test, (e.g., to determine if  
 407 environmental contamination is present), any limitations on Buyer's testing and any other material terms of the contingency.  
 408 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed  
 409 unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to  
 410 Seller, and to listing broker if Property is listed. Seller acknowledges that certain inspections or tests may detect  
 411 environmental pollution which may be required to be reported to the Wisconsin Department of Natural  
 412 Resources.

413  **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 398-412). This  
414 Offer is contingent upon a Wisconsin registered home inspector performing a home inspection of the Property which  
415 discloses no Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third  
416 party performing an inspection of \_\_\_\_\_  
417 \_\_\_\_\_ (list any Property component(s) to be separately inspected,  
418 e.g., swimming pool, roof, foundation, chimney, etc.) which discloses no Defects. Buyer shall order the inspection(s) and be  
419 responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a written report resulting  
420 from an authorized inspection performed provided they occur prior to the deadline specified at line 423.

421 **CAUTION: Buyer should provide sufficient time for the home inspection and/or any specialized inspection(s), as  
422 well as any follow-up inspection(s).**

423 This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of acceptance, delivers to Seller, and to listing  
424 broker if Property is listed, a copy of the written inspection report(s) and a written notice listing the Defect(s) identified in  
425 those report(s) to which Buyer objects (Notice of Defects).

426 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**  
427 For the purposes of this contingency, Defects (see lines 182-184) do not include structural, mechanical or other conditions  
428 the nature and extent of which Buyer had actual knowledge or written notice before signing this Offer.

429  **RIGHT TO CURE:** Seller (shall)(shall not)  **STRIKE ONE** have a right to cure the Defects. (Seller shall have a right to cure  
430 if no choice is indicated.) If Seller has right to cure, Seller may satisfy this contingency by: (1) delivering written notice to  
431 Buyer within 10 days of Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects, (2) curing the  
432 Defects in a good and workmanlike manner and (3) delivering to Buyer a written report detailing the work done within 3 days  
433 prior to closing. This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written  
434 inspection report(s) and: (1) Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers  
435 written notice that Seller will not cure or (b) Seller does not timely deliver the written notice of election to cure.

436  **ADDENDA:** The attached Lead Base Paint Addendum is/are made part of this Offer.

437 **ADDITIONAL PROVISIONS/CONTINGENCIES**

438 \_\_\_\_\_  
439 \_\_\_\_\_  
440 \_\_\_\_\_  
441 \_\_\_\_\_  
442 \_\_\_\_\_  
443 \_\_\_\_\_  
444 \_\_\_\_\_

445 This Offer was drafted on \_\_\_\_\_, \_\_\_\_\_ [date] by [Licensee and Firm] \_\_\_\_\_

446 (x) \_\_\_\_\_ Date ▲  
447 Buyer's Signature ▲ Print Name Here ▶

448 (x) \_\_\_\_\_ Date ▲  
449 Buyer's Signature ▲ Print Name Here ▶

450 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.

451 \_\_\_\_\_ Broker (By) \_\_\_\_\_

452 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS  
453 OFFER SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE  
454 PROPERTY ON THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A  
455 COPY OF THIS OFFER.**

456 (x) \_\_\_\_\_ Date ▲  
457 Seller's Signature ▲ Print Name Here ▶ Craig C. Dillmann, R.E. Mgr

458 (x) \_\_\_\_\_ Date ▲  
459 Seller's Signature ▲ Print Name Here ▶

460 This Offer was presented to Seller by [Licensee and Firm] \_\_\_\_\_ on  
461 \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m.

462 This Offer is rejected \_\_\_\_\_ This Offer is countered [See attached counter] \_\_\_\_\_  
463 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

**OFFER ADDENDUM S - LEAD BASED PAINT  
DISCLOSURES AND ACKNOWLEDGMENTS**

1 ■ **LEAD WARNING STATEMENT:** Every purchaser of any interest in residential real property on which a  
2 residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from  
3 lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in  
4 young children may produce permanent neurological damage, including learning disabilities, reduced  
5 intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular  
6 risk to pregnant women. The seller of any interest in residential real property is required to provide the  
7 buyer with any information on lead-based paint hazards from risk assessments or inspections in the  
8 seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or  
9 inspection for possible lead-based paint hazards is recommended prior to purchase.

10 Disclosures and Acknowledgments made with respect to the Property at 4500 North Lake Drive, Shorewood, WI  
11 \_\_\_\_\_, Wisconsin.

12 ■ **SELLER DISCLOSURE AND CERTIFICATION.**

Note: See Seller Obligations at lines 27 - 54 and 55 - 112.

13 (1) **SELLER DISCLOSURES:** (a) Seller hereby represents that Seller has no knowledge of any lead-based paint or  
14 lead-based paint hazards (collectively referred to as LBP) present in or on the Property except: none

15 \_\_\_\_\_  
16 *(Explain the information known to Seller, including any additional information available about the basis for the determination  
17 that LBP exists in or on the Property, the location of any LBP, and the condition of painted surfaces, or indicate "none.")*

18 (b) Seller hereby confirms that Seller has provided the Buyer with the following records and reports which comprise all  
19 of the reports and records available to Seller pertaining to lead-based paint or lead-based paint hazards (LBP) in or on the Property:  
20 none available

21 \_\_\_\_\_ *(Identify the LBP record(s) and report(s) (e.g. LBP abatements,  
22 inspections, reductions, risk assessments, etc., as defined at lines 89 - 107) provided to Buyer, or indicate "none available.")*

23 (2) **SELLER CERTIFICATION:** The undersigned Seller has reviewed the information above and certifies, to the best of their  
24 knowledge, that the information provided by them is true and accurate.

25 (X) \_\_\_\_\_ (Date) ▲  
26 *(ALL Sellers' signatures)▲ Print Names Here ▶ Craig C. Dillmann, R.E. Mgr.*

**Seller Obligations under the Federal Lead-Based Paint Disclosure Rules**

27  
28 (Based upon 40 CFR Chapter 1, Part 745, Subpart F, §§745.103, 745.107, 745.110, 745.113 & 745.115; and 24 CFR subtitle A,  
29 Part 35, Subpart H, §§35.86, 35.88, 35.90, 35.92 & 35.94, which all are collectively referred to in this Addendum as Federal LBP Law.)  
30 **DISCLOSURE REQUIREMENTS FOR SELLERS.** (a) The following activities shall be completed before the Buyer is obligated  
31 under any contract to purchase target housing that is not otherwise an exempt transaction pursuant to Federal Law. Nothing in this  
32 section implies a positive obligation on the Seller to conduct any risk assessment and/or inspection or any reduction activities.

33 (1) Provide LBP Pamphlet to Buyer. The Seller shall provide the Buyer with an EPA-approved lead hazard information  
34 pamphlet. Such pamphlets include the EPA document entitled *Protect Your Family From Lead In Your Home* (EPA  
35 #747-K-99-001) or an equivalent pamphlet that has been approved for use in this state by EPA.

36 (2) Disclosure of Known LBP to Buyer. The Seller shall disclose to the Buyer the presence of any known lead-based  
37 paint and/or lead-based paint hazards in the target housing being sold. The Seller shall also disclose any additional  
38 information available concerning the known lead-based paint and/or lead-based paint hazards, such as the basis for the  
39 determination that lead-based paint and/or lead-based paint hazards exist, the location of lead-based paint and/or lead-based  
40 paint hazards, and the condition of painted surfaces (chipping, cracked, peeling).

41 (3) Disclosure of Known LBP & LBP Records to Agent. The Seller shall disclose to each agent the presence of any  
42 known lead-based paint and/or lead-based paint hazards in the target housing being sold and the existence of any available  
43 records or reports pertaining to lead-based paint and/or lead-based paint hazards. The Seller shall also disclose any  
44 additional information available concerning the known lead-based paint and/or lead-based paint hazards, such as the basis  
45 for the determination that lead-based paint and/or lead-based paint hazards exist, the location of lead-based paint and/or  
46 lead-based paint hazards, and the condition of the painted surfaces (chipping, cracked, peeling).

47 (4) Provision of Available LBP Records & Reports to Buyer. The Seller shall provide the Buyer with any records or reports  
48 available (see line 88) to the Seller pertaining to lead-based paint and/or lead-based paint hazards in the target housing being sold.  
49 This requirement includes records or reports regarding common areas. This requirement also includes records or reports  
50 regarding other residential dwellings in multifamily target housing, provided that such information is part of a risk assessment and/or  
51 inspection or a reduction of lead-based paint and/or lead-based paint hazards in the target housing as a whole.

52 (b) Disclosure Prior to Acceptance of Offer. If any of the disclosure activities identified in lines 30-51 occurs after the Buyer  
53 has provided an offer to purchase the housing, the Seller shall complete the required disclosure activities prior to accepting  
54 the Buyer's offer and allow the Buyer an opportunity to review the information and possibly amend the offer.

55 ■ **CERTIFICATION AND ACKNOWLEDGMENT OF LBP DISCLOSURE.** (a) Seller requirements. Each contract to sell target  
 56 housing shall include an attachment or addendum containing the following elements, in the language of the contract (e.g., English,  
 57 Spanish):

58 (1) Lead Warning Statement. A Lead Warning Statement consisting of the following language:

59 Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified  
 60 that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead  
 61 poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities,  
 62 reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to  
 63 pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on  
 64 lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the buyer of any known  
 65 lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to  
 66 purchase.

67 (2) Disclosure of Known LBP & LBP Information Re: the Property. A statement by the Seller disclosing the presence of  
 68 known lead-based paint and/or lead-based paint hazards in the target housing being sold or indicating no knowledge of the  
 69 presence of lead-based paint and/or lead-based paint hazards. The Seller shall also provide any additional information  
 70 available concerning the known lead-based paint and/or lead-based paint hazards, such as the basis for the determination  
 71 that lead-based paint and/or lead-based paint hazards exist, the location of the lead-based paint and/or lead-based paint  
 72 hazards, and the condition of the painted surfaces (chipping, cracked, peeling, dust, etc.).

73 (3) List of Available LBP Records & Reports Provided to Buyer. A list of any records or reports available to the Seller  
 74 pertaining to lead-based paint and/or lead-based paint hazards in the housing that have been provided to the Buyer. If no  
 75 such records or reports are available, the Seller shall so indicate.

76 (4) Buyer Acknowledgment of Receipt of Disclosures, Records & Pamphlet. A statement by the Buyer affirming receipt  
 77 of the information set out in lines 67 - 75 and a lead hazard information pamphlet approved by EPA.

78 (5) Buyer Acknowledgment of Receipt of Opportunity for LBP Inspection. A statement by the Buyer that he or she has either:  
 79 (i) received the opportunity to conduct the risk assessment or inspection required per lines 123 - 127; or (ii) waived the opportunity.

80 (6) Agent Certification. When one or more real estate agents are involved in the transaction to sell target housing,  
 81 a statement from each agent that: (i) The agent has informed the Seller of the Seller's obligations under  
 82 Federal LBP Law; and (ii) the agent is aware of his or her duty to ensure compliance with Federal LBP Law. Agents ensure  
 83 compliance by informing Seller of his or her obligations and by making sure that the Seller or the agent personally completes  
 84 the required activities. Buyer's agents paid solely by Buyer are exempt.

85 (7) Signatures. The signatures of all Sellers and Buyers, and all agents subject to Federal LBP Law (see lines 80 - 84)  
 86 certifying to the accuracy of their statements to the best of their knowledge, along with the dates of the signatures.

87 ■ **DEFINITIONS:**

88 Available means in the possession of or reasonably obtainable by the Seller at the time of the disclosure.

89 Abatement means the permanent elimination of lead-based paint and/or lead-based paint hazards by methods such as  
 90 removing, replacing, encapsulating, containing, sealing or enclosing lead-based paint with special materials, in conformance  
 91 with any applicable legal requirements.

92 Buyer means one or more individuals or entities who enter into a contract to purchase an interest in target housing (**referred  
 93 to in the singular whether one or more**).

94 Inspection means: (1) a surface-by-surface investigation to determine the presence of lead-based paint, and (2) the provision  
 95 of a report explaining the results of the investigation.

96 Lead-based paint means paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square  
 97 centimeter or 0.5 percent by weight.

98 Lead-based paint hazard means any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated  
 99 soil, or lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces  
 100 that would result in adverse human health effects as established by the appropriate Federal agency.

101 Reduction means designed to reduce or eliminate human exposure to lead-based paint hazards through interim controls,  
 102 abatement, etc.

103 Risk assessment means an on-site investigation to determine and report the presence of lead-based paint, and to evaluate  
 104 and report the extent, nature, severity, and location of lead-based paint hazards in residential dwellings, including: (1)  
 105 information gathering regarding the age and history of the housing and occupancy by children under 6; (2) visual inspection;  
 106 (3) limited wipe sampling or other environmental sampling techniques; (4) other activity as may be appropriate; and (5)  
 107 provision of a report explaining the results of the investigation.

108 Seller means one or more individuals or entities who transfer, in return for consideration, (1) legal title to target housing, in  
 109 whole or in part; (2) shares in a cooperatively owned project; or (3) an interest in a leasehold (**referred to in the singular  
 110 whether one or more**).

111 Target housing means any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless  
 112 any child who is less than 6 years of age resides or is expected to reside in such housing) or any 0-bedroom dwelling.

113 ■ **AGENT(S) ACKNOWLEDGMENT AND CERTIFICATION.**

114 (1) **ACKNOWLEDGMENT:** All agent(s) in this transaction subject to Federal LBP Law (see lines 80 - 84) hereby  
115 acknowledge that: (1) the Seller was informed of his or her obligations under the Federal LBP Law (see lines 27 - 54 and 55 -  
116 112); and (2) they are aware of their duty to ensure compliance with the requirements of Federal LBP Law.  
117 (2) **CERTIFICATION:** The undersigned agents have reviewed the information above and certify, to the best of their  
118 knowledge, that the information provided by them is true and accurate.

119 (X) \_\_\_\_\_ (Date) ▲  
120 (Agent's signature) ▲ Print Agent & Firm Names Here ▶

121 (X) \_\_\_\_\_ (Date) ▲  
122 (Agent's signature) ▲ Print Agent & Firm Names Here ▶

123 ■ **BUYER'S OPPORTUNITY TO CONDUCT AN EVALUATION (LBP Inspection Contingency).** (a) Before a Buyer is  
124 obligated under any contract to purchase target housing, the Seller shall permit the Buyer a 10-day period (unless the parties  
125 mutually agree, in writing, upon a different period of time) to conduct a risk assessment or inspection for the presence of  
126 lead-based paint and/or lead-based paint hazards. (b) Notwithstanding lines 123 - 126, a Buyer may waive the opportunity  
127 to conduct the risk assessment or inspection by so indicating in writing.

128 ■ **BUYER INSPECTION CONTINGENCY, ACKNOWLEDGMENT AND CERTIFICATION.**

129 (1) **LEAD-BASED PAINT INSPECTION CONTINGENCY:** [Buyer to check one box at lines 131, 147 or 148. If no box is  
130 checked, Buyer is deemed to have elected a 10-day contingency per lines 131 - 146.]

131  **LEAD-BASED PAINT INSPECTION CONTINGENCY:** This Offer is contingent upon a federal or state certified lead  
132 inspector or lead risk assessor conducting an inspection or risk assessment of the Property, at Buyer's cost, which discloses  
133 no lead-based paint and/or lead-based paint hazards (see lines 96 - 100) (collectively referred to as LBP). This contingency  
134 shall be deemed satisfied, and Buyer will have elected to take the Property "as is" with respect to LBP, unless Buyer, within  
135 \_\_\_\_\_ days of acceptance, delivers to Seller a copy of the inspector's or risk assessor's written report and a written notice  
136 listing the LBP identified in the report to which the Buyer objects. Buyer agrees to concurrently deliver a copy of the report  
137 and notice to the listing broker, if any. A proposed amendment will not satisfy this notice requirement.

138 **RIGHT TO CURE:** Seller (shall)(shall not)  **STRIKE ONE** have a right to cure [if neither struck, Seller shall have the right to  
139 cure]. If Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering, within 10 days of receipt of Buyer's  
140 notice, written notice of Seller's election to abate the LBP identified by the Buyer; and (2) providing Buyer, no later than 3 days  
141 prior to closing, with certification from a certified lead supervisor or project designer, or other certified lead contractor that  
142 the identified LBP has been abated. This Offer shall be null and void if Buyer makes timely delivery of the above notice and  
143 report and: (1) Seller does not have a right to cure or (2) Seller has a right to cure but: a) Seller delivers notice that Seller will  
144 not cure or b) Seller does not timely deliver the notice of election to cure. "Abate" shall mean to permanently eliminate the  
145 identified LBP by methods such as removing, replacing, encapsulating, containing, sealing or enclosing the identified LBP,  
146 in conformance with the requirements of all applicable law.

147  Buyer elects the LBP contingency Buyer has attached to this Addendum S.  
148  Buyer waives the opportunity for a LBP inspection or assessment.

149 (2) **BUYER ACKNOWLEDGMENT:** Buyer hereby acknowledges and certifies that Buyer has: (a) received the Seller's  
150 above-listed disclosures, reports and records concerning any known LBP in or on the Property (see lines 12 - 22); (b) received  
151 a lead hazard information pamphlet approved by the EPA; and (c) received the opportunity to conduct a LBP risk assessment  
152 or inspection of the Property or has waived the opportunity (see lines 131 - 148 above).

153 (3) **BUYER CERTIFICATION:** The undersigned Buyer has reviewed the information above and certifies, to the best of their  
154 knowledge, that the information provided by them is true and accurate.

155 (X) \_\_\_\_\_ (Date) ▲  
156 (ALL Buyers' signatures)▲ Print Names Here ▶  
157

**WB-11 RESIDENTIAL OFFER TO PURCHASE**

~~1 LICENSEE DRAFTING THIS OFFER ON \_\_\_\_\_ (DATE) IS (AGENT OF BUYER) (AGENT OF SELLER/LISTING  
2 BROKER) (AGENT OF BUYER AND SELLER) (STRIKE ONE) NOT APPLICABLE~~

3 **GENERAL PROVISIONS** The Buyer, Thomas and Iphigenia Smith, offers  
4 to purchase the Property known as [Street Address] 4500 North Lake Drive  
5 in the Village of Shorewood  
6 County of Milwaukee Wisconsin (Insert additional description, if any, at lines 165-172 or 438-444 or attach  
7 as an addendum per line 436), on the following terms:

8 ■ PURCHASE PRICE: Eight hundred sixty one thousand and 00/100 Dollars  
9 \_\_\_\_\_ Dollars (\$ 861,000.00).

10 ■ EARNEST MONEY of \$ \_\_\_\_\_ accompanies this Offer and earnest money of \$ 5,000.00 will be  
11 mailed, or commercially or personally delivered within 3 days of acceptance to listing broker or Milwaukee  
12 County Real Estate Trust Account

13 ■ THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise provided below.

14 ■ INCLUDED IN PURCHASE PRICE: Seller is including in the Purchase Price the Property, all Fixtures on the Property on  
15 the date of this Offer not excluded at lines 17-18, and the following additional items: none

16  
17 ■ NOT INCLUDED IN PURCHASE PRICE: none

18  
19 **CAUTION: Identify Fixtures that are on the Property (see lines 185-195) to be excluded by Seller or which are rented  
20 and will continue to be owned by the lessor.**

21 **NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are  
22 included/excluded.**

23 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but  
24 identical copies of the Offer.

25 **CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term  
26 deadlines running from acceptance provide adequate time for both binding acceptance and performance.**

27 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer  
28 on or before March 31, 2011. Seller may keep the Property  
29 on the market and accept secondary offers after binding acceptance of this Offer.

30 **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**

31 **OPTIONAL PROVISIONS** TERMS OF THIS OFFER THAT ARE PRECEDED BY AN OPEN BOX (  ) ARE PART OF  
32 THIS OFFER ONLY IF THE BOX IS MARKED SUCH AS WITH AN "X." THEY ARE NOT PART OF THIS OFFER IF  
33 MARKED N/A OR ARE LEFT BLANK.

34 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and  
35 written notices to a Party shall be effective only when accomplished by one of the methods specified at lines 36-55.  
36 (1) **Personal Delivery:** giving the document or written notice personally to the Party, or the Party's recipient for delivery if  
37 named at lines 50 or 53.

38  (2) **Commercial Delivery:** depositing the document or written notice fees prepaid or charged to an account with a  
39 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery if named at lines 50 or 53  
40 for delivery to the Party's delivery address at lines 51 or 54.

41  (3) **Fax:** fax transmission of the document or written notice to the following telephone number:  
42 Buyer: ( 414 ) 978-9737 Seller: ( \_\_\_\_\_ ) \_\_\_\_\_

43  (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party,  
44 or to the Party's recipient for delivery if named at lines 50 or 53 for delivery to the Party's delivery address at lines  
45 51 or 54.

46  (5) **E-Mail:** electronically transmitting the document or written notice to the party's e-mail address, if given below at lines  
47 52 or 55. If this is a consumer transaction where the property being purchased is used primarily for personal, family or  
48 household purposes, each consumer providing an e-mail address below has first consented electronically to the use of  
49 electronic documents, e-mail delivery and electronic signatures in the transaction, as required by federal law.

50 Seller's recipient for delivery (optional): Milwaukee County Clerk's Office  
51 Delivery address for Seller: 901 North 9th Street, Room 105, Milwaukee, WI 53233

52 E-Mail address for Seller (optional): none

53 Buyer's recipient for delivery (optional): Thomas G. Smith  
54 Delivery address for Buyer: 4533 N. Murray Ave, Milwaukee, WI 53211

55 E-Mail address for Buyer (optional): tgsmith@masonwells.com

56 **PERSONAL DELIVERY/ACTUAL RECEIPT** Personal delivery to, or Actual Receipt by, any named Buyer or Seller  
57 constitutes Personal Delivery to, or Actual Receipt by all Buyers or Sellers.

58 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this  
 59 Offer at lines 165-172 or 438-444 or in an addendum attached per line 436. At time of Buyer's occupancy, Property shall be  
 60 in broom swept condition and free of all debris and personal property except for personal property belonging to current  
 61 tenants, or that sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if  
 62 any.

63 **DEFINITIONS**

- 64 ■ **ACTUAL RECEIPT:** "Actual receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or  
 65 written notice physically in the Party's possession, regardless of the method of delivery.
- 66 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions affecting the Property or transaction" are  
 67 defined to include:
- 68 a. Defects in the roof.  
 69 b. Defects in the electrical system.  
 70 c. Defects in part of the plumbing system (including the water heater, water softener and swimming pool) that is included  
 71 in the sale.  
 72 d. Defects in the heating and air conditioning system (including the air filters and humidifiers).  
 73 e. Defects in the well, including unsafe well water.  
 74 f. Property is served by a joint well.  
 75 g. Defects in the septic system or other sanitary disposal system.  
 76 h. Underground or aboveground fuel storage tanks on or previously located on the property. (If "yes", the owner, by law,  
 77 may have to register the tanks with the Department of Commerce at P.O. Box 7970, Madison, Wisconsin, 53707,  
 78 whether the tanks are in use or not. Regulations of the Department of Commerce may require the closure or removal of  
 79 unused tanks.)  
 80 i. "LP" tank on the property (specify in the additional information whether the tank is owned or leased).  
 81 j. Defects in the basement or foundation (including cracks, seepage and bulges).  
 82 k. Property is located in a floodplain, wetland or shoreland zoning area.  
 83 l. Defects in the structure of the Property.  
 84 m. Defects in mechanical equipment included in the sale either as Fixtures or personal property.  
 85 n. Boundary or lot line disputes, encroachments or encumbrances (including a joint driveway).  
 86 o. Defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, lead in  
 87 paint, lead in soil, lead in water supplies or plumbing system, or other potentially hazardous or toxic substances on the  
 88 Property. **NOTE: specific federal lead paint disclosure requirements must be complied with in the sale of most**  
 89 **residential properties built before 1978.**  
 90 p. Presence of asbestos or asbestos-containing materials on the Property.  
 91 q. Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic  
 92 substances on neighboring properties.  
 93 r. Current or previous animal, insect, termite, powder-post beetle or carpenter ant infestations.  
 94 s. Defects in a wood burning stove or fireplace or of defects caused by a fire in a stove or fireplace or elsewhere on the  
 95 Property.  
 96 t. Remodeling affecting the Property's structure or mechanical systems or additions to Property during Seller's ownership  
 97 without required permits.  
 98 u. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition.  
 99 v. Notice of property tax increases, other than normal annual increases, or pending property reassessment.  
 100 w. Remodeling that may increase Property's assessed value.  
 101 x. Proposed or pending special assessments.  
 102 y. Property is located within a special purpose district, such as a drainage district, that has the authority to impose  
 103 assessments against the real property located within the district.  
 104 z. Proposed construction of a public project that may affect the use of the Property.  
 105 aa. Subdivision homeowners' associations, common areas co-owned with others, zoning violations or nonconforming uses,  
 106 rights-of-way, easements or another use of a part of the Property by non-owners, other than recorded utility easements.  
 107 bb. Structure on the Property is designated as an historic building or part of the Property is in an historic district.  
 108 cc. Any land division involving the Property for which required state or local permits had not been obtained.  
 109 dd. Violation of applicable state or local smoke detector laws; **NOTE: State law requires operating smoke detectors on**  
 110 **all levels of all residential properties.**  
 111 ee. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the  
 112 Property.  
 113 ff. Other defects affecting the Property.  
 114 (Definitions Continued on page 4)

115 **CLOSING** This transaction is to be closed no later than April 29, 2011 at the place  
116 selected by Seller, unless otherwise agreed by the Parties in writing.

117 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing  
118 values: real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owner's association  
119 assessments, fuel and \_\_\_\_\_

120 **CAUTION: Provide basis for fuel prorations if date of closing value will not be used.**  
121 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing. Net  
122 general real estate taxes (defined as general property taxes after state tax credits and lottery credits are deducted) shall be  
123 prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

124  **N/A** The net general real estate taxes for the preceding year, or the current year if available (NOTE: THIS CHOICE  
125 APPLIES IF NO BOX IS CHECKED)

126  **N/A** Current assessment times current mill rate (current means as of the date of closing)

127  **N/A** Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior  
128 year, or current year if known, multiplied by current mill rate (current means as of the date of closing)

129  **X** Property is tax exempt for 2011 pursuant to WI Stats.

130 **CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be**  
131 **substantially different than the amount used for proration especially in transactions involving new construction,**  
132 **extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local**  
133 **assessor regarding possible tax changes.**

134  **N/A** Buyer and Seller agree to re-prorate the real estate taxes, within 30 days after the actual tax bill is received for the  
135 year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer and Seller agree this is a post-closing  
136 obligation and is the responsibility of the Parties to complete, not the responsibility of the real estate brokers in this  
137 transaction.

138 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights  
139 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the  
140 (written) (oral) ~~STRIKE ONE~~ lease(s), if any, are No leases  
141 \_\_\_\_\_ . Insert additional terms, if any, at lines 165-172 or 438-444 or attach as an addendum per line 436.

142 **RENTAL WEATHERIZATION** This transaction (is) (~~is not~~) ~~STRIKE ONE~~ exempt from State of Wisconsin Rental  
143 Weatherization Standards (Wis. Admin. Code Ch. Comm 67). (Buyer) (~~Seller~~) ~~STRIKE ONE~~ ("Buyer" if neither is stricken)  
144 will be responsible for compliance, including all costs, with applicable Rental Weatherization Standards (Wis. Admin. Code  
145 Ch. Comm 67). If Seller is responsible for compliance, Seller shall provide a Certificate of Compliance at closing.

146 **REAL ESTATE CONDITION REPORT** Wisconsin law requires owners of property which includes 1-4 dwelling units to  
147 provide Buyers with a Real Estate Condition Report. Excluded from this requirement are sales of property that has never  
148 been inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for  
149 example, personal representatives who have never occupied the Property). The form of the Report is found in Wis. Stat. §  
150 709.03. The law provides: "§ 709.02 Disclosure . . . the owner of the property shall furnish, not later than 10 days after  
151 acceptance of the contract of sale . . . to the prospective Buyer of the property a completed copy of the report . . . A  
152 prospective Buyer who does not receive a report within the 10 days may, within 2 business days after the end of that 10 day  
153 period, rescind the contract of sale . . . by delivering a written notice of rescission to the owner or the owner's agent." Buyer  
154 may also have certain rescission rights if a Real Estate Condition Report disclosing defects is furnished before expiration of  
155 the 10 days, but after the Offer is submitted to Seller. Buyer should review the report form or consult with an attorney for  
156 additional information regarding rescission rights.

157 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no  
158 notice or knowledge of conditions affecting the Property or transaction (lines 66-113) other than those identified in Seller's  
159 Real Estate Condition Report dated Report exempt, which was received by Buyer prior to Buyer  
160 signing this Offer and which is made a part of this Offer by reference COMPLETE DATE OR STRIKE AS APPLICABLE and  
161 Buyer relies on their own inspections and purchases the property in its "as is" condition.  
162 Buyer is responsible for obtaining any environmental testing, if desired, at Buyer's cost.  
163 Buyer shall not hold Seller liable for any environmental contamination found on property.  
164 INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT

165 **ADDITIONAL PROVISIONS/CONTINGENCIES** Acceptance of this offer and sale of property is  
166 contingent upon the approval of the Milwaukee County Board of Supervisors and the County  
167 Executive.  
168 \_\_\_\_\_  
169 \_\_\_\_\_  
170 \_\_\_\_\_  
171 \_\_\_\_\_  
172 \_\_\_\_\_

173 **DEFINITIONS CONTINUED FROM PAGE 2**

174 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by  
 175 excluding the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the  
 176 last day. Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public  
 177 holiday under Wisconsin or Federal law, and other day designated by the President such that the postal service does not  
 178 receive registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from  
 179 the occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24  
 180 hours per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such  
 181 as closing, expire at midnight of that day.

182 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the property; that would  
 183 significantly impair the health or safety of future occupants of the property; or that if not repaired, removed or replaced would  
 184 significantly shorten or adversely affect the expected normal life of the premises.

185 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land or  
 186 improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily  
 187 removable without damage to the premises, items specifically adapted to the premises and items customarily treated as  
 188 fixtures, including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows;  
 189 electric lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and  
 190 attached equipment; water heaters and treatment systems; sump pumps; attached or fitted floor coverings; awnings;  
 191 attached antennas; garage door openers and remote controls; installed security systems; central vacuum systems and  
 192 accessories; in-ground sprinkler systems and component parts; built-in appliances; ceiling fans; fences; storage buildings on  
 193 permanent foundations and docks/piers on permanent foundations.

194 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water**  
 195 **conditioning systems, home entertainment and satellite dish components, L.P. tanks, etc.) on lines 17-18.**

196 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-6.

197 **PROPERTY DIMENSIONS AND SURVEYS** Buyer acknowledges that any land, building or room dimensions, or total  
 198 acreage or building square footage figures, provided to Buyer by Seller or by a broker, may be approximate because of  
 199 rounding or other reasons, unless verified by survey or other means. Buyer also acknowledges that there are various  
 200 formulas used to calculate total square footage of buildings and that total square footage figures will vary dependent upon  
 201 the formula used.

202 **CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, land, building or**  
 203 **room dimensions, if material.**

204 **BUYER'S PRE-CLOSING WALK-THROUGH** Within 3 days prior to closing, at a reasonable time pre-approved by Seller  
 205 or Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant  
 206 change in the condition of the Property, except for ordinary wear and tear and changes approved by Buyer, and that any  
 207 defects Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

208 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property until the earlier of  
 209 closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary  
 210 wear and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling  
 211 price, Seller shall be obligated to repair the Property and restore it to the same condition that it was on the day of this Offer.  
 212 No later than closing, Seller shall provide Buyer with lien waivers for all repairs and restoration. If the damage shall exceed  
 213 such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer.  
 214 Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any,  
 215 relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible  
 216 on such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds  
 217 shall be held in trust for the sole purpose of restoring the Property.

IF LINE 219 IS NOT MARKED OR IS MARKED N/A LINES 259-265 APPLY.

218

219 **N/A** FINANCING CONTINGENCY: This Offer is contingent upon Buyer being able to obtain a written \_\_\_\_\_ days of  
220 [INSERT LOAN PROGRAM OR SOURCE] first mortgage loan commitment as described below, within \_\_\_\_\_ days of  
221 acceptance of this Offer. The financing selected shall be in an amount of not less than \$ \_\_\_\_\_ for a term  
222 of not less than \_\_\_\_\_ years, amortized over not less than \_\_\_\_\_ years. Initial monthly payments of principal and interest  
223 shall not exceed \$ \_\_\_\_\_. Monthly payments may also include 1/12th of the estimated net annual real estate taxes,  
224 hazard insurance premiums, and private mortgage insurance premiums. The mortgage may not include a prepayment  
225 premium. Buyer agrees to pay discount points and/or loan origination fee in an amount not to exceed \_\_\_\_\_ % of the loan.  
226 If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted to the  
227 same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to  
228 maintain the term and amortization stated above.

229 **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 230 or 231.**

230  **FIXED RATE FINANCING:** The annual rate of interest shall not exceed \_\_\_\_\_ %.  
231  **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed \_\_\_\_\_ %. The initial interest  
232 rate shall be fixed for \_\_\_\_\_ months, at which time the interest rate may be increased not more than \_\_\_\_\_ % per  
233 year. The maximum interest rate during the mortgage term shall not exceed \_\_\_\_\_ %. Monthly payments of principal  
234 and interest may be adjusted to reflect interest changes.

235 If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines  
236 165-172 or 438-444 or in an addendum attached per line 436.

237 **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs, to promptly apply for a  
238 mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan  
239 described in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan  
240 commitment no later than the deadline at line 220. **Buyer and Seller agree that delivery of a copy of any written loan  
241 commitment to Seller (even if subject to conditions) shall satisfy Buyer's financing contingency if, after review of  
242 the loan commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall  
243 accompany the loan commitment. Delivery shall not satisfy this contingency if accompanied by a notice of  
244 unacceptability.**

245 **CAUTION: The delivered commitment may contain conditions Buyer must yet satisfy to obligate the lender to  
246 provide the loan. BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHALL NOT DELIVER A LOAN  
247 COMMITMENT TO SELLER OR SELLER'S AGENT WITHOUT BUYER'S PRIOR WRITTEN APPROVAL OR UNLESS  
248 ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

249 **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment; Seller may terminate this  
250 Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written loan  
251 commitment.

252 **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already  
253 delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of  
254 same including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is  
255 named in this Offer, Seller shall then have 10 days to deliver to Buyer written notice of Seller's decision to finance this  
256 transaction on the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for  
257 closing extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to  
258 obtain any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

259 **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Buyer shall provide Seller within 7 days of acceptance written  
260 evidence from a financial institution or a third party in control of the funds, that Buyer shall have the required funds available  
261 at closing. If Buyer does not provide written evidence, Seller has the right to terminate this Offer by delivering written notice to  
262 Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing contingency. Seller  
263 agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands and agrees that  
264 this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an appraisal contingency,  
265 nor does the right of access for an appraisal constitute a financing contingency.

266 **N/A** **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or a lender of Buyer's choice having the Property  
267 appraised by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated subsequent to the  
268 date of this Offer indicating an appraised value for the Property equal to or greater than the agreed upon purchase price. This  
269 contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of acceptance, delivers to Seller, and to listing  
270 broker if Property is listed, a copy of the appraisal report which indicates that the appraised value is not equal to or greater  
271 than the agreed upon purchase price. If the appraisal report does not indicate an appraised value for the Property equal to or  
272 greater than the agreed upon purchase price, Buyer may terminate this Offer upon written notice to Seller.

273 **CAUTION: An appraisal ordered by Buyer's lender may not be received until shortly before closing. Consider  
274 whether deadlines provide adequate time for performance.**

275 **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of  
 276 the Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the  
 277 transaction as defined by the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession  
 278 data to multiple listing service sold databases; and (iii) provide active listing, pending sale, closed sale and financing  
 279 concession information and data, and related information regarding seller contributions, incentives or assistance, and third  
 280 party gifts, to appraisers researching comparable sales, market conditions and listings, upon inquiry.

281 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and  
 282 conditions of this Offer. A material failure to perform any obligation under this Offer is a default which may subject the  
 283 defaulting party to liability for damages or other legal remedies.

284 If Buyer defaults, Seller may:

285 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or  
 286 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for  
 287 actual damages.

288 If Seller defaults, Buyer may:

289 (1) sue for specific performance; or  
 290 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

291 In addition, the Parties may seek any other remedies available in law or equity.  
 292 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation  
 293 and the discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute  
 294 resolution instead of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate  
 295 in a court of law those disputes covered by the arbitration agreement.

296 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD**  
 297 **READ THIS DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS**  
 298 **OF THE OFFER BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL**  
 299 **RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE**  
 300 **CONSULTED IF LEGAL ADVICE IS NEEDED.**

301 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller  
 302 regarding the transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds  
 303 and inures to the benefit of the Parties to this Offer and their successors in interest.

304 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons  
 305 registered with the registry by contacting the Wisconsin Department of Corrections on the internet at  
 306 <http://www.widocoffenders.org> or by telephone at (608) 240-5830.

307 **N/A** CLOSING OF BUYER'S PROPERTY CONTINGENCY: This Offer is contingent upon the closing of the sale of Buyer's  
308 property located at \_\_\_\_\_, no later than \_\_\_\_\_. If Seller accepts  
309 a bona fide secondary offer, Seller may give written notice to Buyer of acceptance. If Buyer does not deliver to Seller a  
310 written waiver of the Closing of Buyer's Property Contingency and \_\_\_\_\_  
311

312 **[INSERT OTHER REQUIREMENTS, IF ANY (e.g., PAYMENT OF ADDITIONAL EARNEST MONEY, WAIVER OF ALL**  
313 **CONTINGENCIES, OR PROVIDING EVIDENCE OF SALE OR BRIDGE LOAN, etc.)]** within \_\_\_\_ hours of Buyer's Actual  
314 Receipt of said notice, this Offer shall be null and void.

315 **N/A** SECONDARY OFFER: This Offer is secondary to a prior accepted offer. This Offer shall become primary upon delivery  
316 of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer notice  
317 prior to any deadline, nor is any particular secondary buyer given the right to be made primary ahead of other secondary  
318 buyers. Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to delivery of  
319 Seller's notice that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than \_\_\_\_ days after acceptance  
320 of this Offer. All other Offer deadlines which are run from acceptance shall run from the time this offer becomes primary.

321 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3)  
322 occupancy; (4) date of closing; (5) contingency deadlines **[STRIKE AS APPLICABLE]** and all other dates and deadlines in  
323 this Offer except: none

324 \_\_\_\_\_, if "Time is of the Essence" applies to a date or  
325 \_\_\_\_\_, if "Time is of the Essence" applies to a date or  
326 deadline, failure to perform by the exact date or deadline is a breach of contract. If "Time is of the Essence" does not apply  
327 to a date or deadline, then performance within a reasonable time of the date or deadline is allowed before a breach occurs.

328 **TITLE EVIDENCE**

329 **CONVEYANCE OF TITLE: Upon payment of the purchase price, Seller shall convey the Property by warranty deed**  
330 **(or other conveyance as provided herein)** free and clear of all liens and encumbrances, except: municipal and zoning  
331 ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services,  
332 recorded building and use restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in  
333 Seller's Real Estate Condition Report and in this Offer, ~~general taxes levied in the year of closing and~~ none  
334 \_\_\_\_\_  
335 \_\_\_\_\_

336 \_\_\_\_\_  
337 which constitutes merchantable title for purposes of this transaction. Seller shall complete and execute the documents  
338 necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

339 **WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements**  
340 **may prohibit certain improvements or uses and therefore should be reviewed, particularly if Buyer contemplates**  
341 **making improvements to Property or a use other than the current use.**

342 **TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the  
343 purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall pay all  
344 costs of providing title evidence to Buyer. Buyer shall pay all costs of providing title evidence required by Buyer's  
345 lender.

346 **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at ~~(Seller's)~~(Buyer's)  
347 **[STRIKE ONE]** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded  
348 after the effective date of the title insurance commitment and before the deed is recorded, provided the title company will  
349 issue the endorsement. If a gap endorsement or equivalent gap coverage is not available, Buyer may give written notice that  
350 title is not acceptable for closing (see lines 356-362).

351 **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title  
352 insurance commitment is delivered to Buyer's attorney or Buyer not less than 5 business days before closing, showing title  
353 to the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 329-  
354 337, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and  
355 exceptions, as appropriate.

356 **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of  
357 objections to title by the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days,  
358 to remove the objections, and the time for closing shall be extended as necessary for this purpose. In the event that Seller is  
359 unable to remove said objections, Buyer shall have 5 days from receipt of notice thereof, to deliver written notice waiving the  
360 objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer shall be  
361 null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give  
362 merchantable title to Buyer.

363 ■ **SPECIAL ASSESSMENTS/OTHER EXPENSES:** Special assessments, if any, levied or for work actually commenced  
 364 prior to date of this Offer shall be paid by Seller no later than closing. All other special assessments shall be paid by  
 365 Buyer.

366 **CAUTION: Consider a special agreement if area assessments, property owner's association assessments, special**  
 367 **charges for current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are**  
 368 **one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments)**  
 369 **relating to curb, gutter, street, sidewalk, municipal water, sanitary and storm water and storm sewer (including all**  
 370 **sewer mains and hook-up/connection and interceptor charges), parks, street lighting and street trees, and impact**  
 371 **fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)(f).**

### 372 **EARNEST MONEY**

373 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker  
 374 (Buyer's agent if Property is not listed or Seller's account if no broker is involved), until applied to purchase price or  
 375 otherwise disbursed as provided in the Offer.

376 **CAUTION: Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the**  
 377 **Parties or an attorney. If someone other than Buyer makes payment of earnest money, consider a special**  
 378 **disbursement agreement.**

379 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after  
 380 clearance from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest  
 381 money. At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the  
 382 earnest money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said  
 383 disbursement agreement has not been delivered to broker within 60 days after the date set for closing, broker may disburse  
 384 the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller;  
 385 (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or  
 386 (4) any other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to  
 387 file an interpleader action per (2) and broker may deduct from the earnest money any costs and reasonable attorneys fees,  
 388 not to exceed \$250, prior to disbursement.

389 ■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in  
 390 relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior  
 391 to disbursement per (1) or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If  
 392 Buyer or Seller disagree with broker's proposed disbursement, a lawsuit may be filed to obtain a court order regarding  
 393 disbursement. Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of residential  
 394 property with 1-4 dwelling units and certain other earnest money disputes. Buyer and Seller should consider consulting  
 395 attorneys regarding their legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless  
 396 from any liability for good faith disbursement of earnest money in accordance with this Offer or applicable Department of  
 397 Regulation and Licensing regulations concerning earnest money. See Wis. Adm. Code Ch. RL 18.

398 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a part  
 399 of this offer. An "inspection" is defined as an observation of the Property which does not include testing of the Property,  
 400 other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source, which are  
 401 hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building materials  
 402 from the Property and the laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors, testers  
 403 and appraisers reasonable access to the Property upon advance notice, if necessary to satisfy the contingencies in this  
 404 Offer. Buyer and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's  
 405 authorization for inspections does not authorize Buyer to conduct testing of the Property. NOTE: Any contingency  
 406 authorizing testing should specify the areas of the Property to be tested, the purpose of the test, (e.g., to determine if  
 407 environmental contamination is present), any limitations on Buyer's testing and any other material terms of the contingency.  
 408 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed  
 409 unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to  
 410 Seller, and to listing broker if Property is listed. Seller acknowledges that certain inspections or tests may detect  
 411 environmental pollution which may be required to be reported to the Wisconsin Department of Natural  
 412 Resources.

413  **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 398-412). This  
414 Offer is contingent upon a Wisconsin registered home inspector performing a home inspection of the Property which  
415 discloses no Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third  
416 party performing an inspection of \_\_\_\_\_ (list any Property component(s) to be separately inspected,  
417 \_\_\_\_\_ (list any Property component(s) to be separately inspected,  
418 e.g., swimming pool, roof, foundation, chimney, etc.) which discloses no Defects. Buyer shall order the inspection(s) and be  
419 responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a written report resulting  
420 from an authorized inspection performed provided they occur prior to the deadline specified at line 423.

421 **CAUTION: Buyer should provide sufficient time for the home inspection and/or any specialized inspection(s), as**  
422 **well as any follow-up inspection(s).**  
423 This contingency shall be deemed satisfied unless Buyer, within \_\_\_\_\_ days of acceptance, delivers to Seller, and to listing  
424 broker if Property is listed, a copy of the written inspection report(s) and a written notice listing the Defect(s) identified in  
425 those report(s) to which Buyer objects (Notice of Defects).

426 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**  
427 For the purposes of this contingency, Defects (see lines 182-184) do not include structural, mechanical or other conditions  
428 the nature and extent of which Buyer had actual knowledge or written notice before signing this Offer.

429  **RIGHT TO CURE:** Seller (shall)(shall not) ~~STRIKE ONE~~ have a right to cure the Defects. (Seller shall have a right to cure  
430 if no choice is indicated.) If Seller has right to cure, Seller may satisfy this contingency by: (1) delivering written notice to  
431 Buyer within 10 days of Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects, (2) curing the  
432 Defects in a good and workmanlike manner and (3) delivering to Buyer a written report detailing the work done within 3 days  
433 prior to closing. This Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written  
434 inspection report(s) and: (1) Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers  
435 written notice that Seller will not cure or (b) Seller does not timely deliver the written notice of election to cure.

436  **ADDENDA:** The attached \_\_\_\_\_ Lead Base Paint Addendum \_\_\_\_\_ is/are made part of this Offer.

437 **ADDITIONAL PROVISIONS/CONTINGENCIES**  
438 Although Buyer has not used an agent to draft this offer  
439 Buyer has worked with Fran Maglio Wallace of First  
440 Weber who shall be entitled to a co-broker commission  
441 paid by seller.  
442 \_\_\_\_\_  
443 \_\_\_\_\_  
444 \_\_\_\_\_

445 This Offer was drafted on \_\_\_\_\_, \_\_\_\_\_ [date] by [Licensee and Firm] \_\_\_\_\_

446 (x) [Signature] \_\_\_\_\_ 2/12/2011  
447 Buyer's Signature ▲ Print Name Here ▶ Thomas G. Smith Date ▲

448 (x) [Signature] \_\_\_\_\_ 2/12/2011  
449 Buyer's Signature ▲ Print Name Here ▶ Iphigenia D. Smith Date ▲

450  **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.

451 \_\_\_\_\_ Broker (By) \_\_\_\_\_

452 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS**  
453 **OFFER SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE**  
454 **PROPERTY ON THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A**  
455 **COPY OF THIS OFFER.**

456 (x) \_\_\_\_\_ Craig C. Dillmann, R.E. Mgr \_\_\_\_\_  
457 Seller's Signature ▲ Print Name Here ▶ \_\_\_\_\_ Date ▲

458 (x) \_\_\_\_\_ \_\_\_\_\_  
459 Seller's Signature ▲ Print Name Here ▶ \_\_\_\_\_ Date ▲

460 This Offer was presented to Seller by [Licensee and Firm] \_\_\_\_\_ on  
461 \_\_\_\_\_ at \_\_\_\_\_ a.m./p.m.

462 This Offer is rejected \_\_\_\_\_ This Offer is countered [See attached counter] \_\_\_\_\_  
463 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

WISCONSIN REALTORS® ASSOCIATION  
4801 Forest Run Road  
Madison, Wisconsin 53704

**OFFER ADDENDUM S - LEAD BASED PAINT  
DISCLOSURES AND ACKNOWLEDGMENTS**

1 ■ **LEAD WARNING STATEMENT:** Every purchaser of any interest in residential real property on which a  
2 residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from  
3 lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in  
4 young children may produce permanent neurological damage, including learning disabilities, reduced  
5 intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular  
6 risk to pregnant women. The seller of any interest in residential real property is required to provide the  
7 buyer with any information on lead-based paint hazards from risk assessments or inspections in the  
8 seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or  
9 inspection for possible lead-based paint hazards is recommended prior to purchase.

10 Disclosures and Acknowledgments made with respect to the Property at 4500 North Lake Drive, Shorewood, WI  
11 \_\_\_\_\_, Wisconsin.

12 ■ **SELLER DISCLOSURE AND CERTIFICATION.** Note: See Seller Obligations at lines 27 - 54 and 55 - 112.

13 (1) **SELLER DISCLOSURES:** (a) Seller hereby represents that Seller has no knowledge of any lead-based paint or  
14 lead-based paint hazards (collectively referred to as LBP) present in or on the Property except: none

15 \_\_\_\_\_  
16 *(Explain the information known to Seller, including any additional information available about the basis for the determination  
17 that LBP exists in or on the Property, the location of any LBP, and the condition of painted surfaces, or indicate "none.")*

18 (b) Seller hereby confirms that Seller has provided the Buyer with the following records and reports which comprise all  
19 of the reports and records available to Seller pertaining to lead-based paint or lead-based paint hazards (LBP) in or on the Property:  
20 none available

21 \_\_\_\_\_ *(Identify the LBP record(s) and report(s) (e.g. LBP abatements,  
22 inspections, reductions, risk assessments, etc., as defined at lines 89 - 107) provided to Buyer, or indicate "none available.")*

23 (2) **SELLER CERTIFICATION:** The undersigned Seller has reviewed the information above and certifies, to the best of their  
24 knowledge, that the information provided by them is true and accurate.

25 (X) \_\_\_\_\_ (Date) ▲  
26 (ALL Sellers' signatures) ▲ Print Names Here ► Craig C. Dillmann, R.E. Mgr.

27 **Seller Obligations under the Federal Lead-Based Paint Disclosure Rules**  
28 (Based upon 40 CFR Chapter 1, Part 745, Subpart F, §§745.103, 745.107, 745.110, 745.113 & 745.115; and 24 CFR subtitle A,  
29 Part 35, Subpart H, §§35.86, 35.88, 35.90, 35.92 & 35.94, which all are collectively referred to in this Addendum as Federal LBP Law.)

30 **DISCLOSURE REQUIREMENTS FOR SELLERS.** (a) The following activities shall be completed before the Buyer is obligated  
31 under any contract to purchase target housing that is not otherwise an exempt transaction pursuant to Federal Law. Nothing in this  
32 section implies a positive obligation on the Seller to conduct any risk assessment and/or inspection or any reduction activities.

33 (1) Provide LBP Pamphlet to Buyer. The Seller shall provide the Buyer with an EPA-approved lead hazard information  
34 pamphlet. Such pamphlets include the EPA document entitled *Protect Your Family From Lead in Your Home* (EPA  
35 #747-K-99-001) or an equivalent pamphlet that has been approved for use in this state by EPA.

36 (2) Disclosure of Known LBP to Buyer. The Seller shall disclose to the Buyer the presence of any known lead-based  
37 paint and/or lead-based paint hazards in the target housing being sold. The Seller shall also disclose any additional  
38 information available concerning the known lead-based paint and/or lead-based paint hazards, such as the basis for the  
39 determination that lead-based paint and/or lead-based paint hazards exist, the location of lead-based paint and/or lead-based  
40 paint hazards, and the condition of painted surfaces (chipping, cracked, peeling).

41 (3) Disclosure of Known LBP & LBP Records to Agent. The Seller shall disclose to each agent the presence of any  
42 known lead-based paint and/or lead-based paint hazards in the target housing being sold and the existence of any available  
43 records or reports pertaining to lead-based paint and/or lead-based paint hazards. The Seller shall also disclose any  
44 additional information available concerning the known lead-based paint and/or lead-based paint hazards, such as the basis  
45 for the determination that lead-based paint and/or lead-based paint hazards exist, the location of lead-based paint and/or  
46 lead-based paint hazards, and the condition of the painted surfaces (chipping, cracked, peeling).

47 (4) Provision of Available LBP Records & Reports to Buyer. The Seller shall provide the Buyer with any records or reports  
48 available (see line 88) to the Seller pertaining to lead-based paint and/or lead-based paint hazards in the target housing being sold.  
49 This requirement includes records or reports regarding common areas. This requirement also includes records or reports  
50 regarding other residential dwellings in multifamily target housing, provided that such information is part of a risk assessment and/or  
51 inspection or a reduction of lead-based paint and/or lead-based paint hazards in the target housing as a whole.

52 (b) Disclosure Prior to Acceptance of Offer. If any of the disclosure activities identified in lines 30-51 occurs after the Buyer  
53 has provided an offer to purchase the housing, the Seller shall complete the required disclosure activities prior to accepting  
54 the Buyer's offer and allow the Buyer an opportunity to review the information and possibly amend the offer.

55 ■ **CERTIFICATION AND ACKNOWLEDGMENT OF LBP DISCLOSURE.** (a) Seller requirements. Each contract to sell target  
 56 housing shall include an attachment or addendum containing the following elements, in the language of the contract (e.g., English,  
 57 Spanish):

58 (1) Lead Warning Statement. A Lead Warning Statement consisting of the following language:

59 Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified  
 60 that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead  
 61 poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities,  
 62 reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to  
 63 pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on  
 64 lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the buyer of any known  
 65 lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to  
 66 purchase.

67 (2) Disclosure of Known LBP & LBP Information Re: the Property. A statement by the Seller disclosing the presence of  
 68 known lead-based paint and/or lead-based paint hazards in the target housing being sold or indicating no knowledge of the  
 69 presence of lead-based paint and/or lead-based paint hazards. The Seller shall also provide any additional information  
 70 available concerning the known lead-based paint and/or lead-based paint hazards, such as the basis for the determination  
 71 that lead-based paint and/or lead-based paint hazards exist, the location of the lead-based paint and/or lead-based paint  
 72 hazards, and the condition of the painted surfaces (chipping, cracked, peeling, dust, etc.).

73 (3) List of Available LBP Records & Reports Provided to Buyer. A list of any records or reports available to the Seller  
 74 pertaining to lead-based paint and/or lead-based paint hazards in the housing that have been provided to the Buyer. If no  
 75 such records or reports are available, the Seller shall so indicate.

76 (4) Buyer Acknowledgment of Receipt of Disclosures, Records & Pamphlet. A statement by the Buyer affirming receipt  
 77 of the information set out in lines 67 - 75 and a lead hazard information pamphlet approved by EPA.

78 (5) Buyer Acknowledgment of Receipt of Opportunity for LBP Inspection. A statement by the Buyer that he or she has either:  
 79 (i) received the opportunity to conduct the risk assessment or inspection required per lines 123 - 127; or (ii) waived the opportunity.

80 (6) Agent Certification. When one or more real estate agents are involved in the transaction to sell target housing,  
 81 a statement from each agent that: (i) The agent has informed the Seller of the Seller's obligations under  
 82 Federal LBP Law; and (ii) the agent is aware of his or her duty to ensure compliance with Federal LBP Law. Agents ensure  
 83 compliance by informing Seller of his or her obligations and by making sure that the Seller or the agent personally completes  
 84 the required activities. Buyer's agents paid solely by Buyer are exempt.

85 (7) Signatures. The signatures of all Sellers and Buyers, and all agents subject to Federal LBP Law (see lines 80 - 84)  
 86 certifying to the accuracy of their statements to the best of their knowledge, along with the dates of the signatures.

87 ■ **DEFINITIONS:**

88 Available means in the possession of or reasonably obtainable by the Seller at the time of the disclosure.

89 Abatement means the permanent elimination of lead-based paint and/or lead-based paint hazards by methods such as  
 90 removing, replacing, encapsulating, containing, sealing or enclosing lead-based paint with special materials, in conformance  
 91 with any applicable legal requirements.

92 Buyer means one or more individuals or entities who enter into a contract to purchase an interest in target housing (**referred  
 93 to in the singular whether one or more**).

94 Inspection means: (1) a surface-by-surface investigation to determine the presence of lead-based paint, and (2) the provision  
 95 of a report explaining the results of the investigation.

96 Lead-based paint means paint or other surface coatings that contain lead equal to or in excess of 1.0 milligram per square  
 97 centimeter or 0.5 percent by weight.

98 Lead-based paint hazard means any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated  
 99 soil, or lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces, or impact surfaces  
 100 that would result in adverse human health effects as established by the appropriate Federal agency.

101 Reduction means designed to reduce or eliminate human exposure to lead-based paint hazards through interim controls,  
 102 abatement, etc.

103 Risk assessment means an on-site investigation to determine and report the presence of lead-based paint, and to evaluate  
 104 and report the extent, nature, severity, and location of lead-based paint hazards in residential dwellings, including: (1)  
 105 information gathering regarding the age and history of the housing and occupancy by children under 6; (2) visual inspection;  
 106 (3) limited wipe sampling or other environmental sampling techniques; (4) other activity as may be appropriate; and (5)  
 107 provision of a report explaining the results of the investigation.

108 Seller means one or more individuals or entities who transfer, in return for consideration, (1) legal title to target housing, in  
 109 whole or in part; (2) shares in a cooperatively owned project; or (3) an interest in a leasehold (**referred to in the singular  
 110 whether one or more**).

111 Target housing means any housing constructed prior to 1978, except housing for the elderly or persons with disabilities (unless  
 112 any child who is less than 6 years of age resides or is expected to reside in such housing) or any 0-bedroom dwelling.

113 ■ **AGENT(S) ACKNOWLEDGMENT AND CERTIFICATION.**

114 (1) **ACKNOWLEDGMENT:** All agent(s) in this transaction subject to Federal LBP Law (see lines 80 - 84) hereby  
115 acknowledge that: (1) the Seller was informed of his or her obligations under the Federal LBP Law (see lines 27 - 54 and 55 -  
116 112); and (2) they are aware of their duty to ensure compliance with the requirements of Federal LBP Law.  
117 (2) **CERTIFICATION:** The undersigned agents have reviewed the information above and certify, to the best of their  
118 knowledge, that the information provided by them is true and accurate.

119 (X) \_\_\_\_\_ (Date) ▲  
120 (Agent's signature) ▲ Print Agent & Firm Names Here ▶

121 (X) \_\_\_\_\_ (Date) ▲  
122 (Agent's signature) ▲ Print Agent & Firm Names Here ▶

123 ■ **BUYER'S OPPORTUNITY TO CONDUCT AN EVALUATION (LBP Inspection Contingency).** (a) Before a Buyer is  
124 obligated under any contract to purchase target housing, the Seller shall permit the Buyer a 10-day period (unless the parties  
125 mutually agree, in writing, upon a different period of time) to conduct a risk assessment or inspection for the presence of  
126 lead-based paint and/or lead-based paint hazards. (b) Notwithstanding lines 123 - 126, a Buyer may waive the opportunity  
127 to conduct the risk assessment or inspection by so indicating in writing.

128 ■ **BUYER INSPECTION CONTINGENCY, ACKNOWLEDGMENT AND CERTIFICATION.**

129 (1) **LEAD-BASED PAINT INSPECTION CONTINGENCY:** [Buyer to check one box at lines 131, 147 or 148. If no box is  
130 checked, Buyer is deemed to have elected a 10-day contingency per lines 131 - 146.]

131  **LEAD-BASED PAINT INSPECTION CONTINGENCY:** This Offer is contingent upon a federal or state certified lead  
132 inspector or lead risk assessor conducting an inspection or risk assessment of the Property, at Buyer's cost, which discloses  
133 no lead-based paint and/or lead-based paint hazards (see lines 96 - 100) (collectively referred to as LBP). This contingency  
134 shall be deemed satisfied, and Buyer will have elected to take the Property "as is" with respect to LBP, unless Buyer, within  
135 \_\_\_\_\_ days of acceptance, delivers to Seller a copy of the inspector's or risk assessor's written report and a written notice  
136 listing the LBP identified in the report to which the Buyer objects. Buyer agrees to concurrently deliver a copy of the report  
137 and notice to the listing broker, if any. A proposed amendment will not satisfy this notice requirement.

138 **RIGHT TO CURE:** Seller (shall)(shall not)  **STRIKE ONE** have a right to cure [if neither struck, Seller shall have the right to  
139 cure]. If Seller has the right to cure, Seller may satisfy this contingency by: (1) delivering, within 10 days of receipt of Buyer's  
140 notice, written notice of Seller's election to abate the LBP identified by the Buyer; and (2) providing Buyer, no later than 3 days  
141 prior to closing, with certification from a certified lead supervisor or project designer, or other certified lead contractor that  
142 the identified LBP has been abated. This Offer shall be null and void if Buyer makes timely delivery of the above notice and  
143 report and: (1) Seller does not have a right to cure or (2) Seller has a right to cure but: a) Seller delivers notice that Seller will  
144 not cure or b) Seller does not timely deliver the notice of election to cure. "Abate" shall mean to permanently eliminate the  
145 identified LBP by methods such as removing, replacing, encapsulating, containing, sealing or enclosing the identified LBP,  
146 in conformance with the requirements of all applicable law.

147  Buyer elects the LBP contingency Buyer has attached to this Addendum S.  
148  Buyer waives the opportunity for a LBP inspection or assessment.

149 (2) **BUYER ACKNOWLEDGMENT:** Buyer hereby acknowledges and certifies that Buyer has: (a) received the Seller's  
150 above-listed disclosures, reports and records concerning any known LBP in or on the Property (see lines 12 - 22); (b) received  
151 a lead hazard information pamphlet approved by the EPA; and (c) received the opportunity to conduct a LBP risk assessment  
152 or inspection of the Property or has waived the opportunity (see lines 131 - 148 above).

153 (3) **BUYER CERTIFICATION:** The undersigned Buyer has reviewed the information above and certifies, to the best of their  
154 knowledge, that the information provided by them is true and accurate.

155 (X) \_\_\_\_\_ (Date) ▲  
156 (ALL Buyers' signatures) ▲ Print Names Here ▶ Thomas G. Smith  
157 Iphigenia D. Smith

1  
2  
3  
4  
5 (ITEM ) Reference file established by the County Board Chairperson relative to offers to  
6 purchase on lands under County control with an undesignated use, by recommending  
7 adoption of the following:  
8  
9

10 **A RESOLUTION**  
11  
12

13 WHEREAS, the Real Estate Division of the Department of Transportation and  
14 Public Works received nine Offers to Purchase on a single-family house located at 4500  
15 North Lake Drive in the Village of Shorewood; and  
16

17 WHEREAS, Milwaukee County acquired the subject property through tax  
18 foreclosure proceedings by the County Treasurer; and  
19

20 WHEREAS, the subject property comprises a 5,887 square foot single-family house  
21 with 6 bedrooms, 4 baths, 2 half-baths and an attached 3-car garage. The property has  
22 dimensions of 100' X 653' and is located on Lake Michigan. The house has suffered many  
23 years of neglect and must be completely renovated inside and out. Several roof leaks have  
24 caused widespread interior water damage; and  
25

26 WHEREAS, staff hired an architectural firm to inspect the property for structural  
27 soundness and feasibility of renovation. The architects concluded that the property was  
28 sound and could be renovated at a cost of around one million dollars; and  
29

30 WHEREAS, staff also obtained two appraisals by independent licensed appraisers.  
31 One appraiser valued the property in its "as is" condition at \$550,000 and the other at  
32 \$600,000. Staff offered the property to the general public in its "as is" condition with an  
33 asking price of \$575,000; and  
34

35 WHEREAS, the property was listed in the Multiple Listing Service, the County's  
36 website, and a real estate sale sign was placed on the property. More than sixty-five real  
37 estate agents showed the property, and staff conducted more than a dozen showings; and  
38

39 WHEREAS, due to the condition of the house a buyer obtaining financing was  
40 questionable so it was determined that only non-contingent cash offers should be  
41 submitted. Because of the uniqueness of this property and in order to allow all interested  
42 parties an equal opportunity, staff developed a structured submittal process and a standard  
43 offer to purchase form; and  
44  
45

46 WHEREAS, an instruction sheet explaining the submittal process and the offer form  
47 was made available to all those who were interested in purchasing the property. All offers  
48 were submitted directly to the County Clerk's office with a submittal deadline of 4:00 PM  
49 Wednesday, February 16, 2011;and

50

51 WHEREAS, all offers received are cash only with no contingencies and are as  
52 follows:

53

54	Thomas & Iphisenia Smith	\$ 861,000
55	Nannette Gardetto	740,000
56	Michael Romaris	678,000
57	Grace Cord	651,000
58	Jeffrey T. Eimers	501,000
59	David Quadracci	416,120
60	Patrick Sinks	301,000
61	Heino Omdahl	300,000
62	Asim & Andrea Khan	175,000

63

;and

64

65 WHEREAS, the Committee on Economic and Community Development at their  
66 meeting on March 7, 2011 recommended acceptance of the above-described offer from  
67 Thomas & Iphisenia Smith in the amount of \$861,000 and in the event Mr. & Mrs. Smith  
68 do not fulfill the terms of their offer, acceptance of the above-described offer from  
69 Nannette Gardetto in the amount of \$740,000 and in the event Ms. Gardetto does not  
70 fulfill the terms of her offer, acceptance of the above-described offer from Michael Romaris  
71 in the amount of \$678,000 and in the event Mr. Romaris does not fulfill the terms of his  
72 offer, acceptance of the above-described offer from Grace Cord in the amount of  
73 \$651,000; now, therefore,

74

75 BE IT RESOLVED, that the Manager of Real Estate Services is hereby authorized to  
76 sign the above described offer to purchase from Thomas and Iphisenia as the primary offer  
77 and the offer from Nannette Gardetto as the secondary offer and the offer from Michael  
78 Romaris as the tertiary offer and the offer from Grace Cord as the fourth offer; and

79

80 BE IT FURTHER RESOLVED that the County Executive and the County Clerk are  
81 hereby authorized to convey by Warranty Deed the subject property located at 4500  
82 North Lake Drive in the Village of Shorewood to Thomas & Iphisenia Smith and/or assigns  
83 for the consideration of \$861,000 and pursuant to the terms and conditions of their offer to  
84 purchase; and

85

86 BE IT FURTHER RESOLVED, that in the event Mr. & Mrs. Smith do not fulfill the  
87 terms of their offer, the County Executive and the County Clerk are hereby authorized to  
88 convey by Warranty Deed the subject property located at 4500 North Lake Drive in the  
89 Village of Shorewood to Ms. Gardetto and/or assigns for the consideration of \$740,000 and  
90 pursuant to the terms and conditions of her offer to purchase; and

91

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102

BE IT FURTHER RESOLVED, that in the event Ms. Gardetto does not fulfill the terms of her offer to purchase, the County Executive and the County Clerk are hereby authorized to convey by Warranty Deed the subject property located at 4500 North Lake Drive in the Village of Shorewood to Michael Romaris for the consideration of \$678,000 and pursuant to the terms and conditions of his offer to purchase; and

BE IT FURTHER RESOLVED, that in the event Mr. Romaris does not fulfill the terms of his offer to purchase, the County Executive and the County Clerk are hereby authorized to convey by Warranty Deed the subject property located at 4500 North Lake Drive in the Village of Shorewood to Grace Cord and/or assigns for the consideration of \$651,000 and pursuant to the terms and conditions of her offer to purchase.

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** February 18, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Offers to purchase on a County-owned single-family house located at 4500 North Lake Drive, Shorewood, Wisconsin.

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact<br><input checked="" type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input checked="" type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
|--|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	\$ 25,000	
	Revenue	\$ 861,000	
	Net Cost	- \$ 836,000	
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

**FISCAL NOTE:** Sale proceeds (assuming that the primary offer of \$861,000 closes) less the following expenses will be deposited in the Sale of Capital Assets Account 5804-4905:

Sales commission	\$ 20,664
Title insurance	925
Municipal charges, misc. etc.	<u>3,408</u> (estimate)
Total expenses	\$ 25,000 (estimate)

Department/Prepared By Craig C. Dillmann

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

## COUNTY OF MILWAUKEE

## INTER-OFFICE COMMUNICATION

DATE : February 17, 2011

TO : Lee Holloway, County Board Chairman

FROM : Craig C. Dillmann, Manager of Real Estate Services  
Department of Transportation and Public Works

SUBJECT : Request to amend the Professional Service Contract Agreement with the law firm of Lichtsinn & Haensel, S.C. for legal services required for the UWM Innovation Park land sale in the Northeast Quadrant of the County Grounds.

**POLICY:**

Section 56.30, Milwaukee County Ordinances ("Section 56.30") provides that a professional service contract to be extended or amended that provides additional reimbursement to the same vendor and extends the total reimbursement beyond fifty thousand dollars (\$50,000) to the same vendor requires County Board approval.

**BACKGROUND:**

In November 2007 the office of Milwaukee County Corporation Counsel entered into the attached Professional Services Agreement ("Agreement"), in the amount of \$30,000, with the law firm of Lichtsinn & Haensel, S.C. (Attorney Michael D. Orgeman). The Agreement was to provide the County legal assistance for the sale of County-owned land in the Northeast Quadrant of the County Grounds to UWM Innovation Park, LLC. By the attached amendment, the subject Agreement was amended in December 2009, increasing the Agreement amount to a not to exceed amount of \$49,500.

The \$50,000 limit under Section 56.30 is insufficient to compensate Lichtsinn & Haensel, S.C. for the professional legal services required to close the sale on February 15, 2011 and to provide post-closing legal maintenance and contractual oversight of the County's interests. Therefore, staff is proposing to amend the Agreement with Lichtsinn & Haensel, S.C., by adding funds in the amount of \$15,500, thus increasing the \$49,500 cap stated in the Agreement to a not to exceed amount of \$65,000.

Staff will also be increasing the professional service contract agreement with Attorney Roy Bradford Evans by \$3,450 to a not to exceed amount of \$11,050,

since Attorney Evans has also provided legal assistance for the UWM Innovation Park transaction. Attorney Evans is a Disadvantaged Business Enterprise vendor, as certified by Milwaukee County's Community Business Development Partners.

**RECOMMENDATION:**

Staff recommends amending the Agreement with Lichtsinn & Haensel, S.C. (Attorney Michael D, Orgeman), by increasing the existing Agreement by \$15,500, thus increasing the \$49,500 cap stated in the Agreement to a not to exceed amount of \$65,000.

**FISCAL NOTE:**

The necessary funds to increase the Lichtsinn & Haensel, S.C. (Attorney Michael D. Orgeman) Agreement by \$15,500 and to increase the Attorney Roy Bradford Evans professional service agreement by \$3,450 are available in the Real Estate Division's operating budget (Agency 580, Org. Unit 5804 and Object No. 6149).

---

Craig C. Dillmann, Manager  
Real Estate Services

ECD Committee Meeting Date: March 7, 2011  
Attachments

cc: Marvin Pratt, County Executive  
Supervisor James Schmitt, District 19  
Jack Takerian, Director, Transportation and Public Works  
Freida Webb, Director, Community Business Development Partners  
John Schapekahm, Principal Assistant-Corporation Counsel  
John Ruggini, Interim Fiscal & Budget Administrator-DAS  
Josh Fudge, Fiscal Mgt Analyst

cd\committee\Lichtsinn&HaensealamendmemoMarch2011

PROFESSIONAL SERVICES AGREEMENT  
MADE BY AND BETWEEN

LICHTSINN & HAENSEL, S.C.  
(by Michael D. Orgeman)

AND

THE COUNTY OF MILWAUKEE  
(Referred to as County)  
(by William J. Domina)

In consideration of the mutual promises contained in this Agreement, Lichtsinn & Haensel, S.C., by Attorney Michael D. Orgeman, and the County, by Attorney William J. Domina, Corporation Counsel, agree that the County will pay the law firm of Lichtsinn & Haensel, S.C., no more than \$30,000 to provide legal assistance with the UWM project on the NE quadrant of the County grounds. Said services are to be provided by Attorney Orgeman to Attorney Domina.

For our internal purposes, the cost related to such legal assistance will be assigned to Agency 113, Org. Unit 1131 and Object Nos. 6106 and 8405. At such time as the fees for such professional services approach the \$30,000 amount, the parties will discuss entering into a further extension or amendment of this Agreement. Such services should commence as soon as this Agreement is executed and continue thereafter as determined by Attorney Domina. Lichtsinn & Haensel, S.C., shall provide the County with a bill that shall include the name of the individual attorney or paralegal who performed services, the actual hours worked, the task(s) performed (e.g., research, conferences, etc.), and hourly billing rate.

Nothing contained in this contract shall constitute, or be construed to create, a partnership or joint venture between the County and Attorney Orgeman. In entering into this Agreement and in performing the acts required under the Agreement, Attorney Orgeman will be acting at all times as an independent contractor.

Attorney Orgeman also agrees to permit authorized representatives of the Milwaukee County Auditor, after reasonable notice, the right to inspect and audit all records relating to the carrying out of this Agreement for a period of up to three years

after completion of the Agreement. Attorney Orgeman further understands that the matters discussed between him, Attorney Domina and other Lichtsinn & Haensel, S.C., attorneys regarding the legal services to be provided is confidential. Attorney Orgeman further agrees that he will not discuss any aspect of the subject matter of the representation with any individual other than Attorney Domina unless Attorney Domina provides authorization for such discussion.

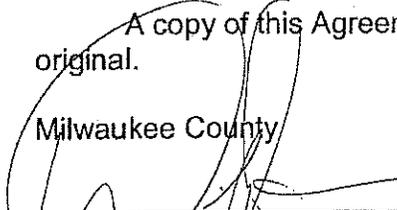
All reports, correspondence, data and other material provided, furnished, or assembled by Lichtsinn & Haensel, S.C., shall be the exclusive property of the County.

The County reserves the right to terminate this Agreement at any time by giving Attorney Orgeman three days' written notice of such termination. Upon termination, Lichtsinn & Haensel, S.C., shall cease providing legal services and shall turn over all work product to Attorney Domina.

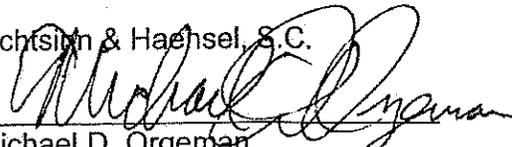
Assignment of any portion of the work covered by this Agreement may not be subcontracted out without the prior written consent of Attorney Domina.

A copy of this Agreement shall be binding and regarded as if signed in the original.

Milwaukee County

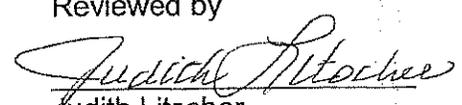
  
\_\_\_\_\_  
William J. Domina  
Milwaukee County  
Corporation Counsel  
Dated:

Lichtsinn & Haensel, S.C.

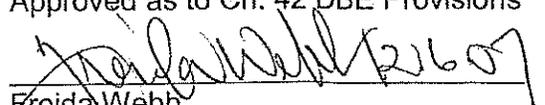
  
\_\_\_\_\_  
Michael D. Orgeman  
Attorney at Law

Dated: 11/15/07

Reviewed by

  
\_\_\_\_\_  
Judith Litscher  
Milwaukee County Risk Manager

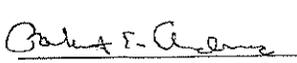
Approved as to Ch. 42 DBE Provisions

  
\_\_\_\_\_  
Freida Webb  
Milwaukee County Director of Community  
Business Development Partners

Dated:

Dated:

Approved as to form, appropriate use of professional service contract and independent contractor status

  
\_\_\_\_\_  
Corporation Counsel      12-13-07      Dated

AMENDMENT TO AGREEMENT

THIS IS AN AMENDMENT to an Agreement between William J. Domina, Corporation Counsel, on behalf of Milwaukee County, and Attorney Michael D. Orgeman of the law firm of Lichtsinn & Haensel, S.C. dated November, 2007.

WHEREAS, the above parties had entered into an Agreement in November, 2007, which stated that the County would pay Orgeman and/or his associates up to \$30,000 for professional services, and

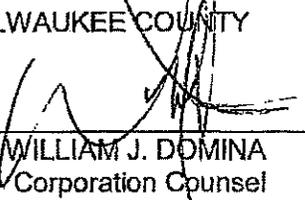
WHEREAS, the same Agreement provided that the parties were to discuss an amendment to the Agreement when the said \$30,000.00 was insufficient to compensate Orgeman and/or his associates to complete the requested professional services, and

WHEREAS, the professional services provided by Orgeman and/or his associates have not been completed, and

IT IS HEREBY AGREED, between the parties that the cap of \$30,000.00 stated in the aforementioned Agreement is hereby amended to indicate a not-to-exceed amount of \$49,500. For our internal purposes, the costs related to these professional services will be assigned to Agency 580, Org. Unit 5804 and Object No. 6149.

MILWAUKEE COUNTY

By:

  
WILLIAM J. DOMINA  
Corporation Counsel

Dated:

12/22/09

LICHTSINN & HAENSEL, S.C.

By:

  
MICHAEL D. ORGEMAN

Dated:

12/22/09

1  
2  
3  
4 (ITEM ) Request to amend the Professional Service Contract Agreement with the law  
5 firm of Lichtsinn & Haensel, S.C., for legal services required for the UWM Innovation Park  
6 land sale in the Northeast Quadrant of the County Grounds, by recommending adoption of  
7 the following:  
8

9  
10  
11 **A RESOLUTION**

12 WHEREAS, Section 56.30, Milwaukee County Ordinances (Section 56.30") provides  
13 that a professional service contract to be extended or amended that provides additional  
14 reimbursement to the same vendor and extends the total reimbursement beyond fifty  
15 thousand dollars (\$50,000) to the same vendor requires County Board approval; and,

16 WHEREAS, in November 2007 the office of Milwaukee County Corporation  
17 Counsel entered into a Professional Services Agreement ("Agreement"), in the amount of  
18 \$30,000, with the law firm of Lichtsinn & Haensel, S.C. (Attorney Michael D. Orgeman);  
19 and

20  
21 WHEREAS, the Agreement was to provide the County with legal assistance for the  
22 sale of County-owned land in the Northeast Quadrant of the County Grounds to UWM  
23 Innovation Park, LLC; and

24  
25 WHEREAS, the Agreement was amended in December 2009, increasing the  
26 Agreement amount to a not to exceed amount of \$49,500; and

27  
28 WHEREAS, the \$50,000 limit under Section 56.30 is insufficient to compensate  
29 Lichtsinn & Haensel, S.C. for the professional legal services required to close the sale on  
30 February 15, 2011 and to provide post-closing legal maintenance and contractual oversight  
31 of the County's interests; and

32  
33 WHEREAS, staff is proposing to amend the Agreement with Lichtsinn & Haensel.  
34 S.C., by adding funds in the amount of \$15,500 to the existing Agreement, thus increasing  
35 the \$49,500 cap stated in the Agreement to a not to exceed amount of \$65,000; and

36  
37 WHEREAS, staff will be increasing the professional service contract agreement with  
38 Attorney Roy Bradford Evans by \$3,450 to a not to exceed amount of \$11,050, since  
39 Attorney Evans has also provided legal assistance in addition to Lichtsinn & Haensel, S.C.  
40 for the UWM Innovation Park transaction. Attorney Evans is a Disadvantage Business  
41 Enterprise vendor, as certified by Milwaukee County's Community Business Development  
42 Partners; and

43  
44 WHEREAS, the Committee on Economic and Community Development, at their  
45 meeting on March 7, 2011, recommended amending the Agreement with Lichtsinn &

46 Haensel, S.C. by adding funds in the amount of \$15,500 to the Agreement, thus increasing  
47 the \$49,500 cap stated in the Agreement to a not to exceed amount of \$65,000 ; now,  
48 therefore,

49

50 BE IT RESOLVED, the County Board hereby approves amending the Agreement with  
51 Lichtsinn & Haensel, S.C. (Attorney Michael D. Orgeman), by increasing the Agreement by  
52 \$15,500, thus increasing the \$49,500 cap stated in the Agreement to a not to exceed  
53 amount of \$65,000.

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** February 17, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Request to amend the Professional Service Contract Agreement with the law firm of Lichtsinn & Haensel, S.C. for legal services required for the UWM Innovation Park land sale in the Northeast Quadrant of the County Grounds.

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input checked="" type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
|--|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	18,950	0
	Revenue	0	0
	Net Cost	18,950	0
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

The necessary funds to increase the Lichtsinn & Haensel, S.C. (Attorney Michael D. Orgeman) Agreement by \$15,500 and to increase the professional service agreement for Attorney Roy Bradford Evans by \$3,450 are available in the Real Estate Division's operating budget (Agency 580, Org.Unit 5804 and Object No. 6149).

Department/Prepared By Craig C. Dillmann

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

## COUNTY OF MILWAUKEE

## INTER-OFFICE COMMUNICATION

DATE : March 2, 2011

TO : Supervisor Theodore Lipscomb, Vice Chair  
Committee on Economic and Community Development

FROM : Craig C. Dillmann, Manager of Real Estate Services  
Department of Transportation and Public Works

SUBJECT : From RSC & Associates requesting an amendment to the Development Agreement for the 2.13-acre Block 26 (aka Block One) in the Park East Corridor, located between North Jefferson, North Milwaukee and East Lyon Streets and East Ogden Avenue in the City of Milwaukee, east of the Milwaukee River.

**POLICY ISSUE:**

Revision of the Development Agreement for Block 26 requires County Board approval.

**BACKGROUND:**

RSC & Associates ("RSC") closed on the purchase of Block 26 in December 2007 and the County was paid the \$2,725,000 purchase price. RSC was prepared to break ground on the Park East Square project ("Project") when the economic downturn resulted in the Project lender rescinding RSC's loan commitment. Therefore, the construction timeline in the Development Agreement cannot be met until RSC secures replacement financing.

As outlined in the attached letter from RSC, dated February 18, 2011, RSC notes they have pursued numerous types of financing alternatives, including conventional lending through banks, pension funds, insurance companies, Disaster Recovery Bonds and WHEDA housing tax credits with Common Bond Communities ("Common Bond") as a partner. RSC states that unfortunately these various funding alternatives have not materialized or are not entirely feasible financing options in this economic climate. Even those apartment projects that have advanced recently have done so with GAP loans or loan guarantees.

RSC states that they continue to pursue capitalization for the Project and continue to work with Common Bond to identify funding alternatives and design variations to advance the Project. RSC recognizes that time and continued perseverance is needed to find the final solution. Therefore, RSC is requesting a six (6) month

extension to the Project Excavation Commencement Date, until September 30, 2011 and sixty days thereafter for the Excavation Completion Date as called for in the Development Agreement. An extension will require an amendment to the Development Agreement ("Fifth Amendment"). County staff, Corporation Counsel and private legal counsel, enlisted by Corporation Counsel, has worked with RSC to establish the following summary terms and conditions of a Fifth Amendment to the Development Agreement:

1. The Project Excavation Commencement Date, as defined in the original Development Agreement with Milwaukee County, be extended from March 30, 2010 to September 30, 2011 and 60 days thereafter for the Excavation Completion Date.
2. RSC has now forfeited to the County the entire \$50,000 in the Letter of Credit for not meeting the prior Excavation Completion Dates and the Letter of Credit will be refunded by RSC to the original \$50,000 prior to the Excavation Commencement Date.
3. In the event RSC fails to achieve the September 30, 2011 Excavation Commencement Date and the Excavation Completion Date 60-days thereafter, the County shall be entitled to all the remedies, rights, terms and conditions accruing in the Development Agreement, including without limitation, a \$2,000/day penalty and the County's option to repurchase Block 26 at 85% of what the County was paid.
4. Except as noted above, the terms and conditions of the Fifth Amendment to the Development Agreement of Block 26 would be substantially the same as the terms and conditions of the original Development Agreement.

**RECOMMENDATION:**

In this extraordinary economic and lending environment, the successful completion of the RSC Park East Square Project for Block 26 will lead to increased jobs, tax base and will eventually be a catalyst for further development in and in proximity to the Park East Corridor. Therefore, staff respectfully requests approval of the above-described Fifth Amendment to the Development Agreement for Block 26.

**FISCAL NOTE:**

Extending the Excavation Commencement Date for Block 26 until September 30, 2011 and sixty days thereafter for the Excavation Completion Date, pursuant to the Fifth Amendment, will not include the payment of an extension fee.

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Craig C. Dillmann, Manager  
Real Estate Services

Meeting Date: March 7, 2011  
Attachment

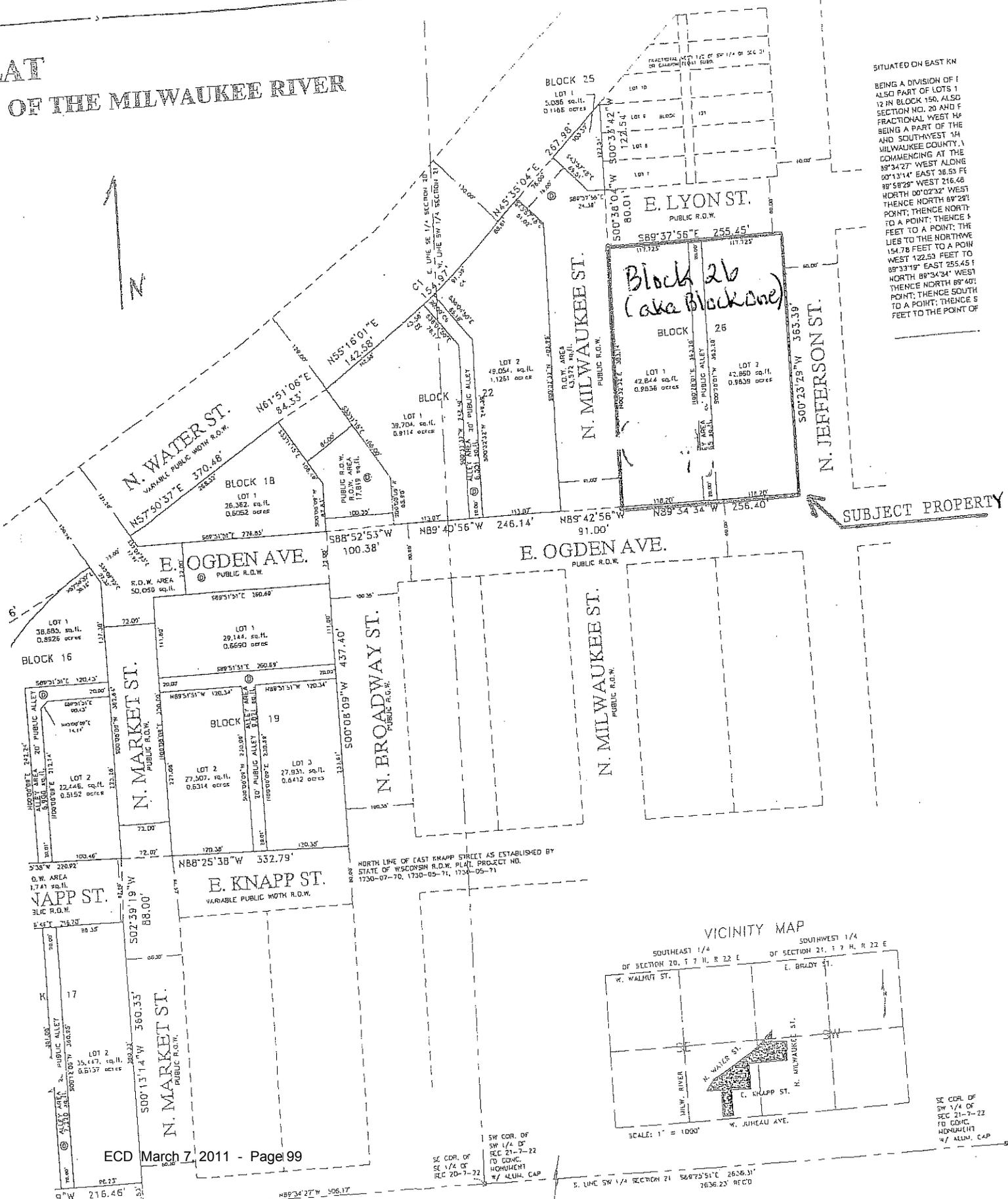
cc: Marvin Pratt, County Executive  
Lee Holloway, County Board Chairman  
Jack Takerian, Director, Transportation and Public Works  
Josh Fudge, Fiscal Mgmt. Analyst-DAS

Blk26DevAgAmnd5

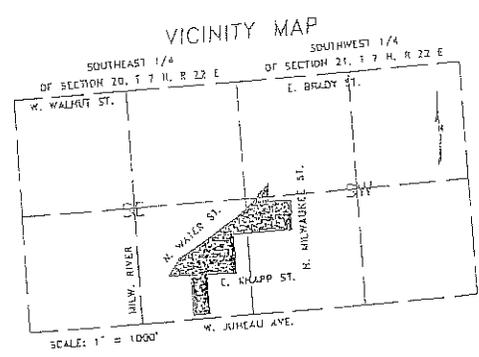
# AT OF THE MILWAUKEE RIVER



SITUATED ON EAST KN  
BEING A DIVISION OF I  
ALSO PART OF LOTS 1  
12 IN BLOCK 150, ALSO  
SECTION NO. 20 AND F  
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AND SOUTH-WEST 1/4  
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**SUBJECT PROPERTY**

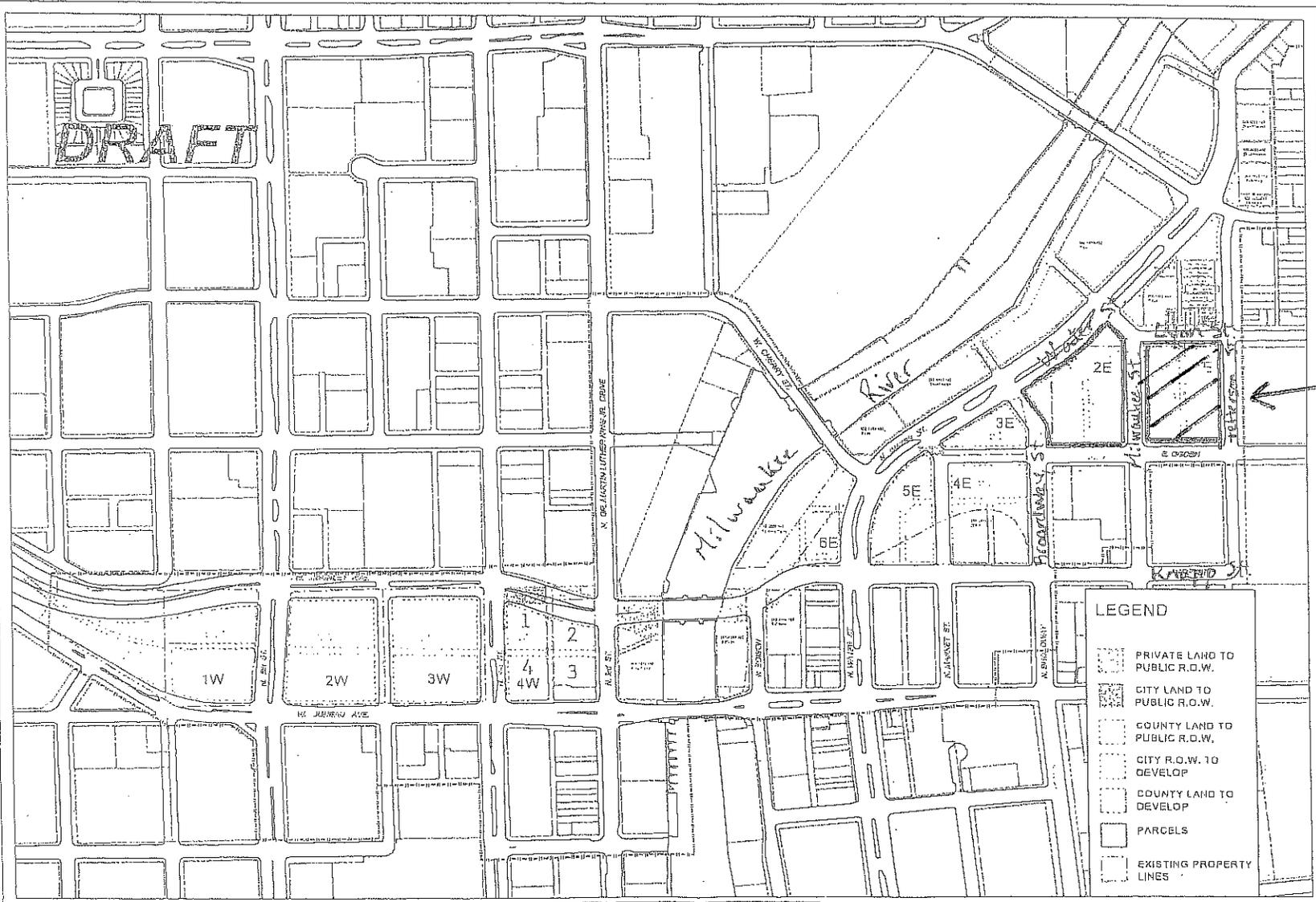


SW COR. OF SW 1/4 OF SEC 21-7-22 TO CONG. MONUMENT 1/4 ALUM. CAP

SE COR. OF SW 1/4 OF SEC 21-7-22 TO CONG. MONUMENT 1/4 ALUM. CAP



DRAFT



Subject  
Block 26  
(aka Block One)

**LEGEND**

-  PRIVATE LAND TO PUBLIC R.O.W.
-  CITY LAND TO PUBLIC R.O.W.
-  COUNTY LAND TO PUBLIC R.O.W.
-  CITY R.O.W. TO DEVELOP
-  COUNTY LAND TO DEVELOP
-  PARCELS
-  EXISTING PROPERTY LINES

PLANNING AND DESIGN INSTITUTE, INC.  
111 S. BRUNNEN ST. MILWAUKEE, WI 53233

Park East Redevelopment  
• Land Ownership •

0 10 20  
August 27, 2003



Richard Curto  
Chief Executive Officer

rcurto@rscrealestate.com  
www.rscrealestate.com

Via Email

To: Economic & Community Development Committee of Milwaukee County

From: RSC & Associates for Park East Square, LLC

Date: February 18, 2011

Block One was purchased by RSC & Associates from Milwaukee County in December 2007 for \$2,725,000 and Park East Square was set to break ground on the project comprising a 122-room Hyatt Place Hotel, a 108 room Hyatt Summerfield Suites Hotel, retail space, a 121 unit residential apartment component and a 277 space parking garage until the economic downturn resulted in the project lender rescinding the loan commitment.

In an earlier update to the Committee we noted that the economic and financial upheaval created a very challenging environment for development of any type, including but not limited to hotel and retail. However, we advanced our pursuit of alternative financing to develop this unique property into a vibrant community neighborhood. As a result, our development efforts shifted focus to the residential component of our project since the apartment sector remained a viable element in the market.

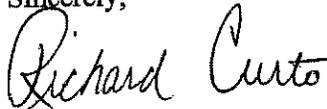
We have pursued all types of financing vehicles such as the original bank that was committed to fund as we began construction of the hotels and then backed out. We then intensely pursued working with Common Bond for over 1 year including trying to obtain 9% tax credits. During this entire time, we pursued and obtained an allocation of Midwest Disaster Recovery Bonds from the City of Milwaukee as well as working with pension funds, bank lenders and other capital providers. Needless to say we are disappointed in the lack of results to date. We are attempting to share with the Committee a realistic picture of the economic and financial environment we have experienced. The few apartment projects that have moved forward or look like they are moving forward are in part funded by the City of Milwaukee via an Equity Gap Loan.

We continue to identify funding alternatives and design variations to move the Park East Square project forward. Unfortunately 4% tax credits require the funding of an economic gap which is difficult to obtain. Our discussions with financing institutions, pension funds and insurance companies indicate that the quality rental apartment market continues to improve nationwide and

in Milwaukee. These debt and equity sources are reallocating funds to commit to new projects and apartments such as Park East Square that fit perfectly into this part of the market and we continue working with these capital sources for funding as well as trying to utilize the Midwestern Disaster Recovery Tax Exempt Bonds. We are not presenting a final solution here today and our continued search to capitalize Park East Square has not resulted in development for reasons in part as mentioned above.

We have not and will not stop our pursuit of capitalizing and moving forward with the development of Park East Square. Our desire is there and the time is needed to finalize the capitalization of the project. Therefore, we are requesting a six month extension of the Excavation Commencement Date from March 30, 2011 to September 30, 2011.

Sincerely,

A handwritten signature in cursive script that reads "Richard Curto". The signature is written in black ink and is positioned above the printed name.

Richard Curto

(ITEM ) From RSC & Associates requesting an amendment to the Development Agreement for the 2.13-acre Block 26 (aka Block One) in the Park East Corridor, located between North Jefferson, North Milwaukee and East Lyon Streets and East Ogden Avenue in the City of Milwaukee, east of the Milwaukee River, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS; RSC & Associates (“RSC”) closed on the purchase of Block 26 in December 2007 and the County was paid the \$2,725,000 purchase price. RSC was prepared to break ground on the Park East Square project (“Project”) when the economic downturn resulted in the Project lender rescinding RSC’s loan commitment, with the result being the construction timeline in the Project Development Agreement cannot be met until replacement financing is secured; and

WHEREAS, in a letter dated February 18, 2011, RSC indicated they have pursued numerous types of financing alternatives, including conventional lending through banks, pension funds, insurance companies, Disaster Recovery Bonds and WHEDA housing tax credits, with Common Bond Communities (“Common Bond”) as a partner. RSC states that unfortunately these various funding alternatives have not materialized or are not entirely feasible financing options in this economic climate, since even those apartment projects that have advanced recently have done so with GAP loans or loan guarantees; and

WHEREAS, RSC recognizes that time and continued perseverance is needed to find the final solution and therefore is requesting an extension to the Excavation Commencement Date until September 30, 2011 and sixty days thereafter for the Excavation Completion date. As a result, an amendment to the Development Agreement (“Fifth Amendment”) is necessary. County staff, Corporation Counsel and private legal counsel, enlisted by Corporation Counsel, has worked with RSC to establish the following summary terms and conditions of the Fifth Amendment to the Development Agreement:

1. The Project Excavation Commencement Date, defined in the original Development Agreement with Milwaukee County, be extended from March 30, 2010 to September 30, 2011 and 60 days thereafter for the Excavation Completion Date.
2. RSC has now forfeited to the County the entire \$50,000 in the Letter of Credit for not meeting the prior Excavation Completion Dates and the Letter of Credit will be refunded by RSC to the original \$50,000 prior to the Excavation Commencement Date.

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3. In the event RSC fails to achieve the September 30, 2011 Excavation Commencement Date and the Excavation Completion Date 60-days thereafter, the County shall be entitled to all the remedies, rights, terms and conditions accruing in the Development Agreement, including without limitation, a \$2,000/day penalty and the County's option to repurchase Block 26 at 85% of what the County was paid.
4. Except as provided above, the terms and conditions of the Fifth Amendment to the Development Agreement of Block 26 would be substantially the same as the terms and conditions of the original Development Agreement; and

WHEREAS, in this extraordinary economic and lending environment, the successful completion of the RSC Project for Block 26 will lead to increased jobs, tax base and be a catalyst for further development in and in proximity to the Park East Corridor; and

WHEREAS, the Committee on Economic and Community Development, at their meeting on March 7, 2011, recommended approval of the above-described Fifth Amendment; now, therefore,

BE IT RESOLVED, the County Executive and the County Clerk are hereby authorized to execute, after Corporation Counsel approval, the above-described Fifth Amendment to the Development Agreement for Block 26 in the Park East Corridor.

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** February 18, 2011

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** From RSC & Associates requesting an amendment to the Development Agreement for the 2.13-acre Block 26 (aka Block One) in the Park East Corridor, located between North Jefferson, North Milwaukee and East Lyon Streets and East Ogden Avenue in the City of Milwaukee, east of the Milwaukee River.

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact  | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required                                       | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds       |
| <input checked="" type="checkbox"/> Increase Operating Revenues  |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Extending the Excavation Commencement Date for Block 26 until September 30, 2011 and 60 days thereafter for the Excavation Completion Date, pursuant to the Fifth Amendment, will not include the payment of an extension fee.

Department/Prepared By Craig C. Dillmann

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

DATE: March 4, 2011

TO: Lee Holloway, Chairman, County Board of Supervisors

FROM: John Ruggini- Fiscal and Budget Administrator

SUBJECT: Due Diligence Report for the allocation of funds from the Special Needs Housing Program (SNHP) to Community Advocates for a supportive housing development.

**Request**

The Department of Administrative Services is recommending approval of the attached resolution to adopt additional requirements for participation in the Milwaukee County Special Needs Housing Program (SNHP) and the approval of a \$260,000 grant for Community Advocates' Autumn West project to provide 21 transitional living housing units for Milwaukee County Behavioral Health clients.

**Special Needs Housing Program**

In 2007, Milwaukee County created the SNHP for the purpose of providing partial financing for the development of supportive housing in Milwaukee County. The SNHP is financed through loans from the Board of Commissioner's State Trust Fund Loan program. The SNHP project scope for the loans consists of the following: acquisition of land and construction and or renovation of facilities for the purposes of providing housing for persons with mental illness and/or others served by the Milwaukee County Department of Health and Human Services (DHHS) - Behavioral Health Division (BHD). When the fund was created, the County Board also adopted specific criteria that are required for a project to be eligible to receive funds from this program. The criteria are as follows:

- **Eligible Applicants-** non-profit developers or agencies who have the capacity and experience to develop and own the housing and whose project team includes members, who have experience providing housing/services to adults living with serious and persistent mental illness. Eligible applicants may partner with an appropriate service agency to provide the services necessary to support people living with serious and persistent mental illness in permanent housing.
- **Eligible Projects-** new construction or rehabilitation projects that provide permanent housing where:
  - At least 40% of the units developed are (in accordance with applicable fair housing laws) primarily set aside for use by Behavioral Health Division consumers living with serious and persistent mental illness (as determined by Behavioral Health Division), and
  - Who are under 30% of median income
- **Eligible funding requests-** grants for any given year may not exceed 10% of the total development costs for units set aside for Behavioral Health Division consumers living with serious and persistent mental illness. The dwelling unit set aside shall be for 10 years or the term of the tax credit commitment, whichever is longer.
  - Minimum request of \$100,000
  - Maximum request of \$500,000

- **Eligible Activities-** project costs related to new construction, rehabilitation, acquisition of real property, clearance and demolition, removal of architectural barriers, and other activities necessary for the development of the project.
- **Disadvantaged Business Enterprise (DBE) participation-** in order to be considered for County funding, project developer must agree to meet or exceed County DBE requirements pertaining to construction projects.

The Department of Health and Human Services (DHHS) has submitted a report for the March cycle to the committees on Economic Development, Health and Human Needs, and Finance and Audit. The DHHS is requesting County Board approval to allocate \$625,000 from the Milwaukee County Special Needs Housing Program to Community Advocates to partially fund the Autumn West supportive housing development. The development will be located at 3412 West Lisbon Avenue.

The Department of Administrative Services in accordance with Administrative Procedure 7.92 Due Diligence, has conducted a due diligence review of Community Advocates request for funding from the SNHP.

### **Background**

Community Advocates is a nonprofit organization that has been in existence since 1976. They provide a number of services to at-risk individuals and families in the Milwaukee area that have low-income, are homeless, and also have chronic mental illness. Some of the services they provide are health care advocacy, case management and protective payee services, homelessness prevention, energy assistance, disability advocacy services, and housing/case management services.<sup>1</sup> The organization currently works with Milwaukee County through purchase of service contracts to provide most of these services.

In 2009, Community Advocates assumed operations of the Autumn West (supportive housing program) and Transitional Housing Program (THP) that were previously run by the American Red Cross. Autumn West serves as an entry point to housing and the mental health system for single mentally ill clients. This program currently contains 27 beds, seven of which are for the Transitional Housing Program (THP) and are funded by Milwaukee County's Behavioral Health Division (BHD) and 20 for single homeless adults that are mentally ill. The THP serves BHD consumers with the intention of providing temporary residence to these clients after they are discharged from the Behavioral Health Complex. Clients come to the Autumn West program through referrals made to Safe Haven from homeless shelters and outreach workers. Safe Haven is a program that provides supportive housing services to homeless individuals. The individuals that come into this program have no income and are not receiving case management services, which means that at the time of entry, these people have not been receiving any support services. Once they are in the program, they are offered on-site assistance with activities of daily living and coordination with contract case management agencies. Clients can stay up to 24 months but the average length of stay is 6-8 months. These consumers successfully leave the program when they are placed in permanent housing facilities including Milwaukee County's Shelter Care program.

Currently, these programs are operated in a temporary location, which is the Former Hillview Nursing Home. The organization was given a period of two years to operate in this facility with an agreement that

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<sup>2</sup> | <sup>1</sup><http://communityadvocates.net/>

they would find an alternate site by the end of the two-year period. The two-year period began October 2008 and ended September 2010. The organization has been allowed to remain in this facility due to their progress in relocating these programs to a permanent site.

The development to be known as “Autumn West” originally consisted of 21 units, with five designated for BHD clients. However, this was not within the criteria which states that 40% of the units developed must be designated for BHD clients. DAS worked with Community Advocates and Housing to determine the true need of the BHD population. As a result, it was determined that all 21 beds would be designated for BHD clients, and each client’s file would include supporting documentation. BHD would continue to support the services for five of these units and services for the remaining 16 units would be covered by funds from Housing and Urban Development (HUD). The total cost of this development is \$2.6 million. In addition to their request to Milwaukee County for \$625,000 towards the development costs of this project, they have also requested \$172,000 from the City of Milwaukee’s Housing Trust Fund, which is contingent upon the receipt of funds from the County, and they will receive \$1.5 million in Community Development Block Grant (CDBG) Disaster Recovery Funds. However, the project still includes a gap of approximately \$668,000. It is up to the organization as to how the additional funds will be obtained.

Having a permanent location for these programs would be beneficial to Milwaukee County, as it would be an increase in services for the mentally ill. In addition, it provides temporary housing for BHD clients until permanent housing is available, which decreases the number of clients that would otherwise go to BHD if these services were not available.

### **Review & Analysis**

The Department of Administrative Services (DAS)- Fiscal Affairs has reviewed the project proposal from Community Advocates and prepared the analysis that follows.

### **Financial Impact**

The County created a Special Needs Housing Fund in its capital program in 2007. A total of \$3,000,000 has been allocated to the Fund since its inception: \$1,000,000 in 2007 and \$2,000,000 in 2009, for approved supportive housing development projects. There is approximately \$632,000 remaining in this fund. The County is currently paying approximately \$425,000 annually through 2017 to retire the loan from the State Trust Fund Loan Program. The annual amount decreases to \$278,000 each year for the two remaining years, 2018 and 2019. Community Advocates is requesting \$625,000 of these funds for the development of Autumn West. However, the project is only eligible for \$260,000 based upon the approved criteria, which states that grant amounts for any given year may not exceed 10% of the total development costs for units set aside for BHD consumers. The \$260,000 is 10% of the total project costs which is \$2.6 million. If the County approves the \$260,000 grant to Community Advocates, the remaining available balance in the SNHP will be \$372,000.

The original request was to issue these funds in the form of a no-interest, deferred payment, 10-year loan. After reviewing the financial statements of the organization and the program, DAS has concluded and Community Advocates agreed that the organization does not have the ability to repay this loan. The program will not receive any revenue that could be used towards the repayment of this loan. The clients that come into this program have no income. As a result, Community Advocates does not have the ability to repay the County for the loan.

### **Recommendation**

The DAS has reviewed the last three years (2007-2009) of the audited financials for Community Advocates. Although, the DAS has concerns regarding the financial impact of the organization's recent acquisitions of non-profits, the concerns do not prohibit Community Advocates from proceeding with the Autumn West project.

DAS has contacted the City of Milwaukee regarding the agreement with the Wisconsin Department of Commerce to obtain \$1.5 million in CDBG Disaster Recovery funds. Community Advocates provided a letter from the Wisconsin Department of Commerce that communicates to the City of Milwaukee that the Autumn West project is eligible to receive CDBG Disaster Recovery funds. The letter also states that the City of Milwaukee must adopt a Citizen Participation Plan and Authorizing Resolution prior to entering into an agreement with the Wisconsin Department of Commerce. The City of Milwaukee indicated that the Citizen Participation Plan and Authorizing Resolution have been approved and agreed to provide documentation to the County. The City of Milwaukee also verified that the Autumn West project was approved for \$172,000 from the City of Milwaukee Housing Trust Fund.

The DAS is recommending approval of the \$260,000 grant to Community Advocates for the Autumn West project because of the importance of providing services to clients in the community and maintaining an independent life in proximity to supportive services. This is the continuation of an initiative that was started four years ago to expand affordable housing to individuals with mental illness in this community.

Acknowledging DAS's review of pertinent documents, DAS recommends that the due diligence be approved with the following conditions:

### **Relating to Community Advocates/Autumn West Request**

1. Community Advocates receives \$260,000 as opposed to the \$625,000 requested in order to meet the criteria required to obtain funds from the SNHP. Recommendation of the grant is contingent upon Community Advocates providing formal documentation that they have obtained total funding for the project. County funds will not be released until the documentation has been provided to the following committees: Economic and Community Development, Finance and Audit, and Health and Human Needs. The organization has until March 31, 2011 to obtain additional funds to complete the project.
2. Funds will be allocated to the organization as a grant instead of a loan since they have no means to repay a loan.
3. Development agreement includes language that specifies that all 21 units would house BHD clients. Community Advocates/Autumn West will provide an annual report to the County relating to the number of BHD clients served/living at Autumn West.
4. Development agreement includes language that specifies that if for some reason the building or land is sold, the County will recover 10% of the sale proceeds or \$260,000, whichever is greater.

### **Relating to SNHP**

In addition, DAS recommends that the Housing Division require the following information from future applicants for SNHP funds upon initial submission of the request:

1. County reviews criteria for the program and implements an application process in order for an organization to apply and be approved to receive funds from the SNHP.

2. County requires comprehensive financial information similar to information provided for a bank loan to include: capital needs assessment policy and standards, market study guidelines (revised October 2006), developer scope of work requirements, developer fee policy, operating reserves, and debt service ratios.
3. County revises formal agreement that is entered with organizations to include language that specifies that if for some reason the building or land is sold, the County will recover 10% of sale proceeds or the amount that was given to the organization for the construction of the development, whichever is greater.
4. The Housing Division of the DHHS will conduct an analysis to determine if funds should be allocated as a grant or a loan. If it is decided that the funds will be allocated as a loan, the County should further conduct an analysis where repayment is pursued.

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**(ITEM NO. ) : The Department of Administrative Services is recommending approval of the attached resolution to adopt additional requirements for participation in the Milwaukee County Special Needs Housing Program (SNHP) and the approval of a \$260,000 grant for Community Advocates’ Autumn West project to provide 21 transitional living housing units for Milwaukee County Behavioral Health clients.**

A RESOLUTION

WHEREAS, the County Board adopted Resolution 07-74 which approved criteria for the allocation of budgeted appropriations for housing for persons with mental illness; and

WHEREAS, Community Advocates has requested a grant of \$625,000 from the County’s Special Needs Housing Program, for the Autumn West project, that would provide 21 transitional living housing units for Milwaukee County behavioral health clients; and

WHEREAS, the Department of Administrative Services prepared a due diligence report based on the requirements in Section 7.92 of the Administrative Procedures; and

WHEREAS, based on the criteria approved in 2007 in Resolution 07-74 the Autumn West project would qualify for a maximum of \$260,000 from the County’s Housing Trust Fund; NOW THEREFORE,

BE IT RESOLVED, based on the requirements set forth in Resolution 07-74, Community Advocates receive a grant of \$260,000 for the Autumn West project contingent on the following:

- Community Advocates providing formal documentation that they have obtained total funding for the project and present the documentation to the Committees of Economic and Community Development, Finance & Audit and Health and Human Needs. The organization has until March 31, 2011 to obtain additional funds to complete the project.
- Development agreement includes language that specifies that all 21 units would house BHD clients. Community Advocates/Autumn West will provide an annual report to the County relating to the number of BHD clients served/living at Autumn West.
- Development agreement includes language that specifies that if for some reason the building or land is sold, the County will recover 10% of the sale proceeds or \$260,000, whichever is more.

BE IT FURTHER RESOLVED, that the County amend the process for applying for the County’s Special Needs Housing Program with the following changes:

- Review criteria for the program and implement an application process in order for an organization to apply and be approved to receive funds from the Special Needs Housing Program.
- County requires comprehensive financial information similar to information provided for a bank loan to include: capital needs assessment policy and standards, market study guidelines (revised October 2006), developer scope

- 53 of work requirements, developer fee policy, operating reserves, and debt  
54 service ratios.
- 55 - County revises formal agreement that is entered with organizations to  
56 include language that specifies that if for some reason the building or land is  
57 sold, the County will recover 10% of sale proceeds or the amount that was  
58 given to the organization for the construction of the development,  
59 whichever is greater.
  - 60 - The Housing Division of the DHHS will conduct an analysis to determine if  
61 funds should be allocated as a grant or a loan. If it is decided that the funds  
62 will be allocated as a loan, the County should further conduct an analysis  
63 where repayment is pursued.
- 64

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 3/2/11

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** FROM THE INTERIM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, REQUESTING COUNTY BOARD APPROVAL TO ALLOCATE \$260,000 OF FINANCING FROM THE COUNTY'S ALLOCATION OF STATE TRUST FUND DOLLARS TO COMMUNITY ADVOCATES FOR THE SUPPORTIVE HOUSING DEVELOPMENT TO BE KNOWN AS AUTUMN WEST

**FISCAL EFFECT:**

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|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact  | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required   | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget  | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget  |  |
| <input type="checkbox"/> Decrease Operating Expenditures  | <input type="checkbox"/> Use of contingent funds       |
| <input checked="" type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues  |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	260,000
	Revenue	0	260,000
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. The Interim Director, Department of Health and Human Services, is requesting County Board approval to allocate \$260,000 of financing from the County's Allocation of State Trust fund dollars to Community Advocates for the Supportive Housing Development to be known as Autumn West.

Community Advocates is seeking to relocate the Autumn West and Transitional Housing Program from its current temporary quarters in the former Hillview nursing home at 1615 S. 22<sup>nd</sup> Street, to a newly-constructed facility. The Autumn West program serves as an entry point into housing and the mental health system for individuals who are homeless and have a diagnosis of mental illness.

- B. This expenditure of \$260,000 is 100% offset by revenue from the County's allocation of State Trust fund dollars.
- C. There is no tax levy impact associated with approval of this request.
- D. No assumptions are made.

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Department/Prepared By DAS - Thomas F. Lewandowski

Authorized Signature *Levi A. Sydnor*

Did DAS-Fiscal Staff Review?  Yes  No

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

**12**

**DATE:** March 2, 2011

**TO:** Supervisor Lee Holloway, Chairman, Milwaukee County Board

**FROM:** Geri Lyday, Interim Director – Department of Health & Human Services  
*Prepared by: James Mathy, Special Needs Housing Manager – Housing Division*

**SUBJECT: FROM THE INTERIM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, REQUESTING COUNTY BOARD APPROVAL TO ALLOCATE \$260,000 OF FINANCING FROM THE COUNTY'S ALLOCATION OF STATE TRUST FUND DOLLARS TO COMMUNITY ADVOCATES FOR THE SUPPORTIVE HOUSING DEVELOPMENT TO BE KNOWN AS AUTUMN WEST**

**Policy Issue**

County Board approval is required for expenditures of funds from the State Trust Fund through the Commissioners of Public Lands. The Interim Director, DHHS, requests Board approval for an allocation of \$260,000 from the Fund to Community Advocates for the partial financing of the supportive housing development to be known as Autumn West.

**Background**

In February of 2007, the County Executive proposed and the County Board approved creation of a Special Needs County Housing Trust Fund (CHTF) to provide partial financing for the development of supportive housing in Milwaukee County. The fund is currently financed through low-interest loans from the State of Wisconsin Trust Funds Loan Program.

*Autumn West Project Description*

**Project Name:** Autumn West

**Location:** 3412 W. Lisbon Ave.

**Service Provider:** Community Advocates

**# Units:** 21

**Total Project Cost:** \$2,600,000 (est.)

**County Contribution:** \$260,000 (recommended). This will be in the form of a no interest, deferred payment, 10 year loan

**Other Assistance:**

- \$1,500,000 in Community Development Block Grant Disaster Recovery Funds from the Wisconsin Department of Commerce
- Community Advocates has submitted an application for City of Milwaukee Housing Trust Fund dollars

Community Advocates is seeking to relocate the Autumn West and Transitional Housing Program from its current temporary quarters in the former Hillview nursing home at 1615 S. 22<sup>nd</sup> St, to a newly constructed facility. Community Advocates took over the operation of these programs from the American Red Cross. The Autumn West program is primarily funded by HUD to serve as an entry point into housing and the mental health system for individuals who are homeless and have a diagnosis of mental illness. This is accomplished by getting these individuals into housing as soon as possible, provide case management to assist them in applying for Social Security benefits, and to allow them to live as independently as possible. The Safe Haven program receives referrals from homeless shelters and outreach workers. This program admits individuals who do not have any source of income and who are not receiving case management.

The Transitional Housing Program (THP) is a seven bed transitional program that serves Milwaukee County Behavioral Health Division consumers. The intention of the program is to provide individuals with a temporary residence after they are discharged from the Milwaukee County Mental Health Complex. Once in the program, individuals are offered on-site assistance with activities of daily living and coordination with contracted case management agencies. Consumers successfully leave the program when they are placed into permanent housing.

Community Advocates has done extensive outreach in the neighborhood including community meetings. They have received letters of support for the proposed development, including Washington Park Partners (WPP). WPP is a collaborative group of stakeholders in the area that includes residents, businesses, organizations, and government officials.

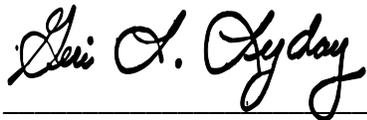
On October 15' Community Advocates was granted a Special Use Permit and Variances from the Board of Zoning Appeals to construct this development to include a social service facility and transitional housing.

**Recommendation**

Staff recommends that the Board approve an allocation of \$260,000 from the County Housing Trust Fund to Community Advocates to support development of this project. The actual alloca-

tion of funds from the CHTF will occur only when the developer provides evidence to the county indicating that it has obtained all other commitments of financial resources for the project.

Staff further recommends that the Interim Director, DHHS, or designee be authorized to negotiate and execute an agreement with the developer to ensure compliance with the terms and conditions governing the use of trust fund monies and to accomplish such other objectives as will best serve the county and its clients.



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Gerri Lyday, Interim Director  
Department of Health and Human Services

cc: Marvin Pratt, Interim County Executive  
Terrence Cooley, Chief of Staff – County Board  
John Ruggini, Interim Fiscal & Budget Administrator  
Antionette Thomas-Bailey, Analyst - DAS  
Jennifer Collins – County Board Staff  
Jodi Mapp, Committee Clerk – County Board

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4 (ITEM ) FROM THE INTERIM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, RE-  
5 QUESTING COUNTY BOARD APPROVAL TO ALLOCATE \$260,000 OF FINANCING FROM THE  
6 COUNTY’S ALLOCATION OF STATE TRUST FUND DOLLARS TO COMMUNITY ADVOCATES FOR  
7 THE SUPPORTIVE HOUSING DEVELOPMENT TO BE KNOWN AS AUTUMN WEST, by adoption of  
8 the following:  
9

10 **A RESOLUTION**

11  
12 WHEREAS, in February of 2007, the County Executive proposed and the County Board ap-  
13 proved receiving funding from the State Trust Fund Loan Program to provide gap financing to  
14 assist in developing units of supportive housing in Milwaukee County; and  
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16 WHEREAS, Community Advocates has operated the Autumn West Program for homeless  
17 adults and the Transitional Housing Program in partnership with the County Housing Division;  
18 and  
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20 WHEREAS, Trust Fund financing in the amount of \$260,000 has been requested to support  
21 the development of 21 units of decent, safe, affordable housing with support services in a pro-  
22 ject known as Autumn West; and  
23

24 WHEREAS, this development project will, when completed, make 21 units available to  
25 serve the housing needs of consumers in the county’s behavioral health system as well as the  
26 emergency shelter system. Now, therefore,  
27

28 BE IT RESOLVED, that the Milwaukee County Board of Supervisors approves and authoriz-  
29 es an allocation of \$260,000 from the Trust Fund to Community Advocates to support the de-  
30 velopment project known as Autumn West; and be it  
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32 FURTHER RESOLVED, that the Interim Director, DHHS or designee is authorized to negoti-  
33 ate and execute an agreement with the developer which ensures compliance with the terms  
34 and conditions governing the use of Trust Fund monies and which accomplishes such other  
35 objectives as will best serve the county and the housing needs of our behavioral health sys-  
36 tem’s consumers; and be it  
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38 FURTHER RESOLVED, that the allocation of Trust Fund dollars is contingent on the devel-  
39 oper providing evidence to the satisfaction of Department staff that the developer has re-  
40 ceived or will receive funding and subsidies sought from other sources and identified in the  
41 development proposal.  
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**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 3/2/11

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** FROM THE INTERIM DIRECTOR, DEPARTMENT OF HEALTH AND HUMAN SERVICES, REQUESTING COUNTY BOARD APPROVAL TO ALLOCATE \$260,000 OF FINANCING FROM THE COUNTY'S ALLOCATION OF STATE TRUST FUND DOLLARS TO COMMUNITY ADVOCATES FOR THE SUPPORTIVE HOUSING DEVELOPMENT TO BE KNOWN AS AUTUMN WEST

**FISCAL EFFECT:**

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|---|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact  | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required   | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget  | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget  |  |
| <input type="checkbox"/> Decrease Operating Expenditures  | <input type="checkbox"/> Use of contingent funds       |
| <input checked="" type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues  |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	260,000
	Revenue	0	260,000
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. The Interim Director, Department of Health and Human Services, is requesting County Board approval to allocate \$260,000 of financing from the County's Allocation of State Trust fund dollars to Community Advocates for the Supportive Housing Development to be known as Autumn West.

Community Advocates is seeking to relocate the Autumn West and Transitional Housing Program from its current temporary quarters in the former Hillview nursing home at 1615 S. 22<sup>nd</sup> Street, to a newly-constructed facility. The Autumn West program serves as an entry point into housing and the mental health system for individuals who are homeless and have a diagnosis of mental illness.

- B. This expenditure of \$260,000 is 100% offset by revenue from the County's allocation of State Trust fund dollars.
- C. There is no tax levy impact associated with approval of this request.
- D. No assumptions are made.

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Department/Prepared By DAS - Thomas F. Lewandowski

Authorized Signature *Levi A. Sydnor*

Did DAS-Fiscal Staff Review?  Yes  No