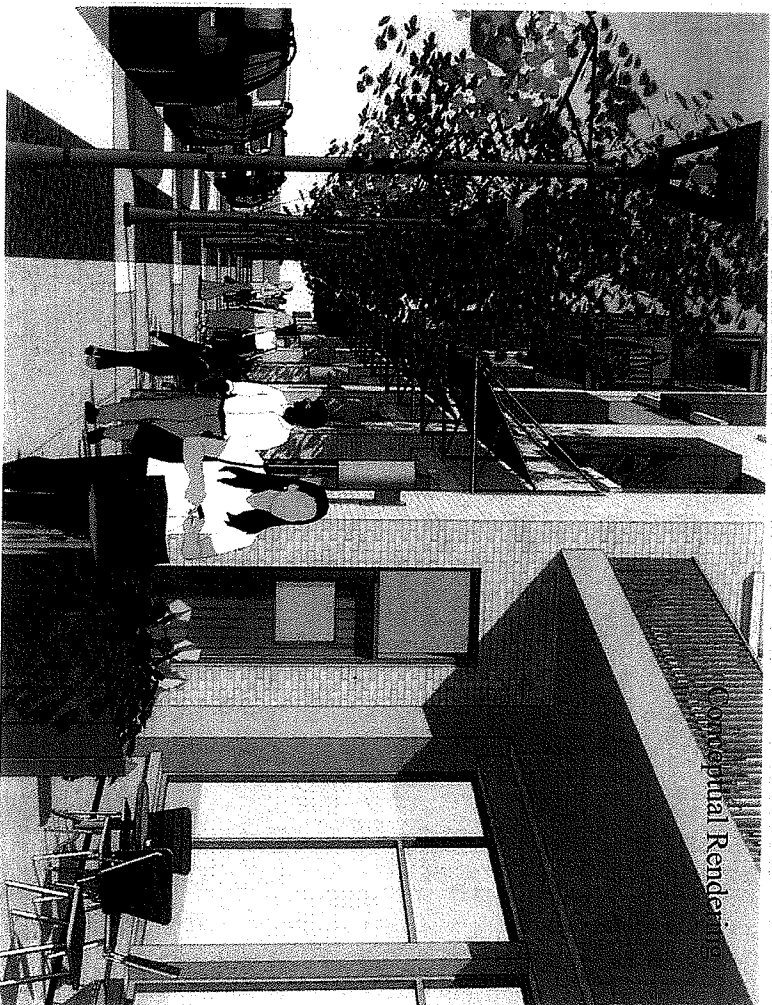

✧ CORINNNE OWENS ✧
SQUARE

State Street and Wilson, Racine, Wisconsin



DEVELOPMENT PROPOSAL

By the Dorsey Group, LLC/ The Commonwealth Development Corp., June 2007

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EXECUTIVE SUMMARY

Project Location	State Street and Wilson, Racine Wisconsin (Downtown Planning Area)
Developer	The Dorsey Group, LLC/Commonwealth Development
Owner	A new company to be named Corinne Owens, LLC
Building Inspiration	Named after Corinne Owens, local civil rights leader
Type of structure	New Build
Building Information	82,000 sq. ft.; three story mixed-use structure containing, 25 apartments (one and two bedroom units), 14 townhouse two and three bedroom units, commercial space, community space, balconies, green space, a tot lot and a fitness room for residents. The structure will also have both external and internal parking.
Primary commercial tenants	Retail will include eating establishment(s), service-based companies and office space.
Preliminary Budget	\$9.1 million
Major Sources of Funding	Debt, Low Income Tax Credits, Deferred Developer Fee
Requested City Assistance	Site assembly, environmental testing and remediation, area planning, project support

PROPOSED DEVELOPMENT

Corinne Owens Square is a catalytic project ideal for Racine. Owens Square will be located at the west end of downtown at State Street and Wilson,, an area with considerable potential To be an important gateway To Racine. In addition To being a local/regional Transportation hub, the area is near two high Traffic intersections, and is in the heart of Racine's African American cultural assets. The Corinne Owens project for many regional Travelers will be a first glimpse of an emerging Racine – a diverse, progressive, high energy city of the 21st century.

The 82,000 sq. ft. three-story infill development will provide Racine residents with more housing options; the project will contain a total of 39 apartments and town-homes, ideal for growing families. To support local job creation, the project will attract at least three new businesses. In addition, the building will contain both indoor and outdoor. Commercial space will be located on the first floor, with easy access from the street. To compliment local transit assets, the site will have green space, a Tot Lot, and be pedestrian-friendly.

Total estimated development cost for the project is approximately \$9.1 million. Approximately 50% of the construction budget will be targeted toward local businesses or Emerging/Disadvantaged Business as designated by the city of Racine. The developers will work closely with First Choice Pre-apprenticeship Training Program and Racine First, local job training programs that provide jobs and training opportunities for residents/minorities living in Racine. Financing will involve a combination of debt, WHEDA LHTC, and deferred development fee. The building will contain a significant amount of “green” components, including; energy efficient appliances and lighting, and environmentally friendly materials.

The building is named after Corinne Owens, a well-known local champion of civil rights. The building will contain information kiosk providing educational information on Ms. Owens, as well as other civil rights leaders - including Martin Luther King, Rosa Parks and Joshua Glover. It is our hope that the presence of these historical figures will educate and inspire the local community.

Structure Size	82,000 sq. ft.
# of floors	Three
Total # of Apartments	39 (6 one-bedroom; 23 two-bedroom; 10 three-bedrooms)
Bedrooms	22 two-bdrm/14 three bdrm
Market Rate Apts.	6
Commercial Space	3,000 sq. ft.
Indoor Parking	30 spaces
Outdoor Parking	30 spaces
Local EBE Goal	35 – 50%

BACKGROUND ON CORINNE OWENS



CORINNE OWENS is an advocate for human rights, a champion of quality education for all, a symbol of perseverance and dedication for Racine's African American community, and one of Racine's most honored citizens. 1012 in Houston, Mississippi. As during the day and their parents at to expand her teaching, but was not her race. Not discouraged, Ms. University of Wisconsin -

“Once you take a righteous stand, don't ever give in. Eventually you will win.”

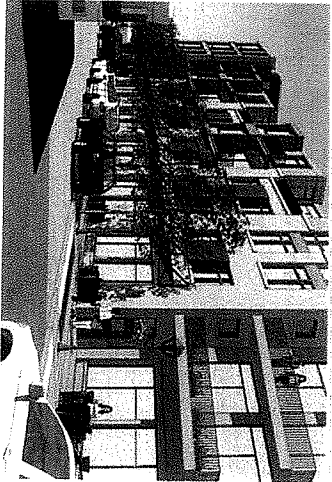
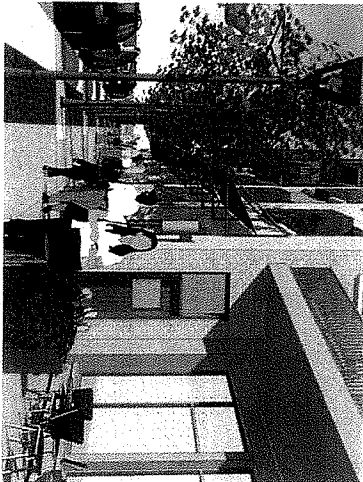
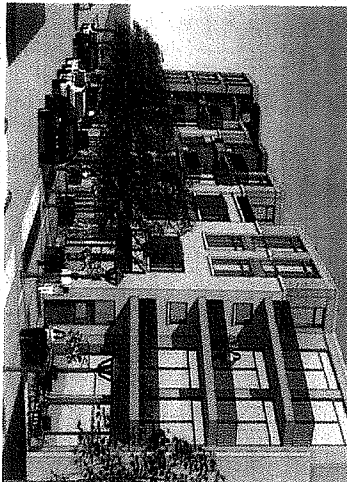
Corinne Owens

Ms. Owens was born November 7, a young teacher, she taught children night. She moved to Racine in 1946 allowed to teach in Racine because of Owens took a job as a janitor at the Extension. Believing that she had a

right to teach, Ms. Owens fought for the right to teach in Racine, and she won. Corinne Owens became the first African-American to serve on the Board of Directors of Gateway technical College. She was appointed President of the Board during the 1978 - 1980 term. Ms. Owens is a founding member of the Racine Chapter of the NAACP. Other accomplishments include; working to get a fair housing code established in the city of Racine, working to establish the Dr. John Bryant Neighborhood Center, organizing the Citizen's Committee on Crime, starting the Freedom Baby contest, and establishing the Community Women's Club. “The education of today's children starts with their parents”, says Ms. Owens. Ms. Owens is a member of Wayman African American Episcopal Church

Corinne Owens Square is named in honor of Ms. Owens; her struggles and her un-yielding commitment to provide a quality education and a better life for all.

PROJECT COMPATIBILITY WITH DOWNTOWN RACINE PLAN

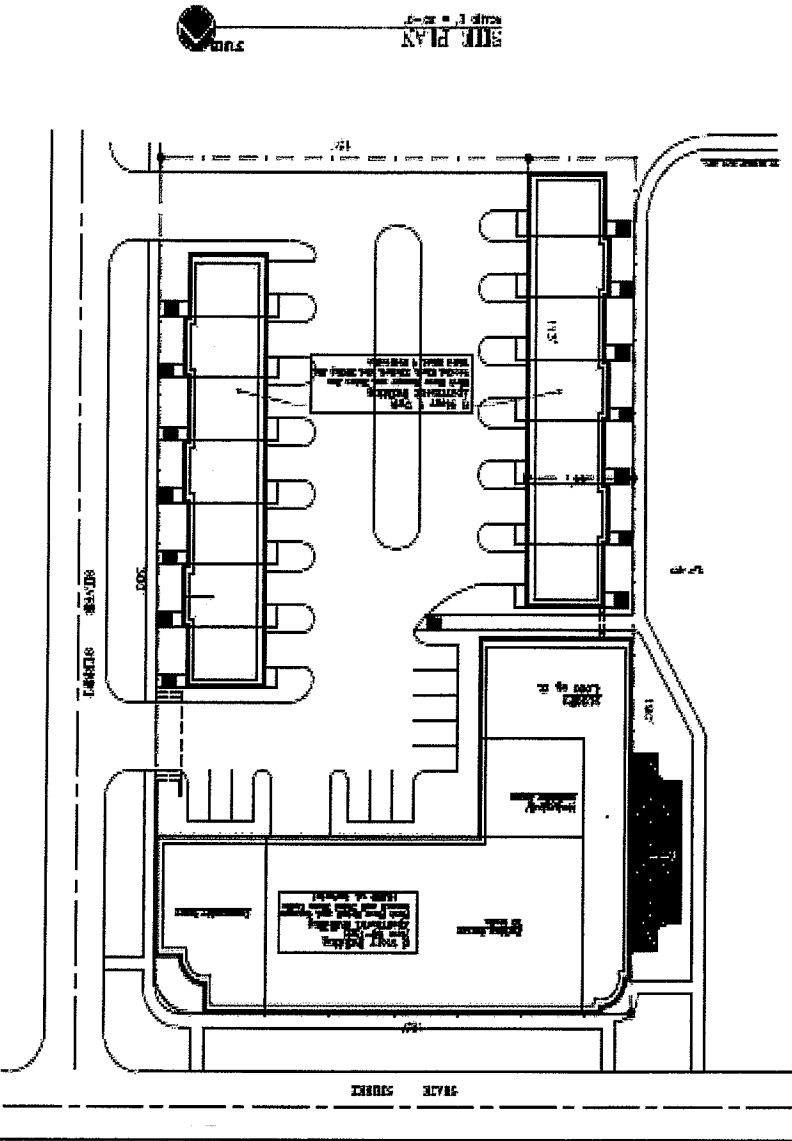


The Corrine Owens Square project is consistent with the Racine Downtown Plan, completed in 2005. Following are development principles outlined in the plan, and an explanation of how this project is consistent with the plan.

- **MAINTAIN RETAIL REVITALIZATION MOMENTUM:** Project will enhance local retail and the area's definition as a Gateway to downtown by expanding local retail. At least three new businesses will be located within project. Additional retail possibilities exist in area.
- **ESTABLISH A SENSE OF PLACE:** Project will provide district with a clearer definition as a gateway into Racine. Project will create in-fill development, additional green space, attractive landscaping, and add to the overall aesthetic of the area.
- **PROVIDE A GATEWAY ENTRY INTO DOWNTOWN:** This site may be the only stop in Racine for the KRM line. Consequently, the site will be a Gateway into Racine for many regional travelers. This project will more clearly define the district as a Gateway.
- **MAXIMIZE LIMITED PARCEL OPPORTUNITIES BY REQUIRING HIGH-DENSITY DEVELOPMENT:** This project is a high density development.
- **PROVIDES OPPORTUNITIES FOR EMERGING SMALL BUSINESSES WITHIN EXISTING RENOVATED OR NEW MIXED-USE BUILDINGS.** This mixed-use development project will contain at least three new businesses.
- **ENHANCE IMPACT OF COMMUTER RAIL AND TRANSIT STATION:** [Commuter rail, front door to the region: "a commuter rail line proposed to stop in Racine at the new transit station at state street will be one of the most important economic development tools available for the downtown." (pg 27, downtown plan).] This project would be the first image that users of the KRM line would see of Racine – it is Racine's Gateway: Its importance in establishing a perspective of Racine in the minds of transit users should not be underestimated.

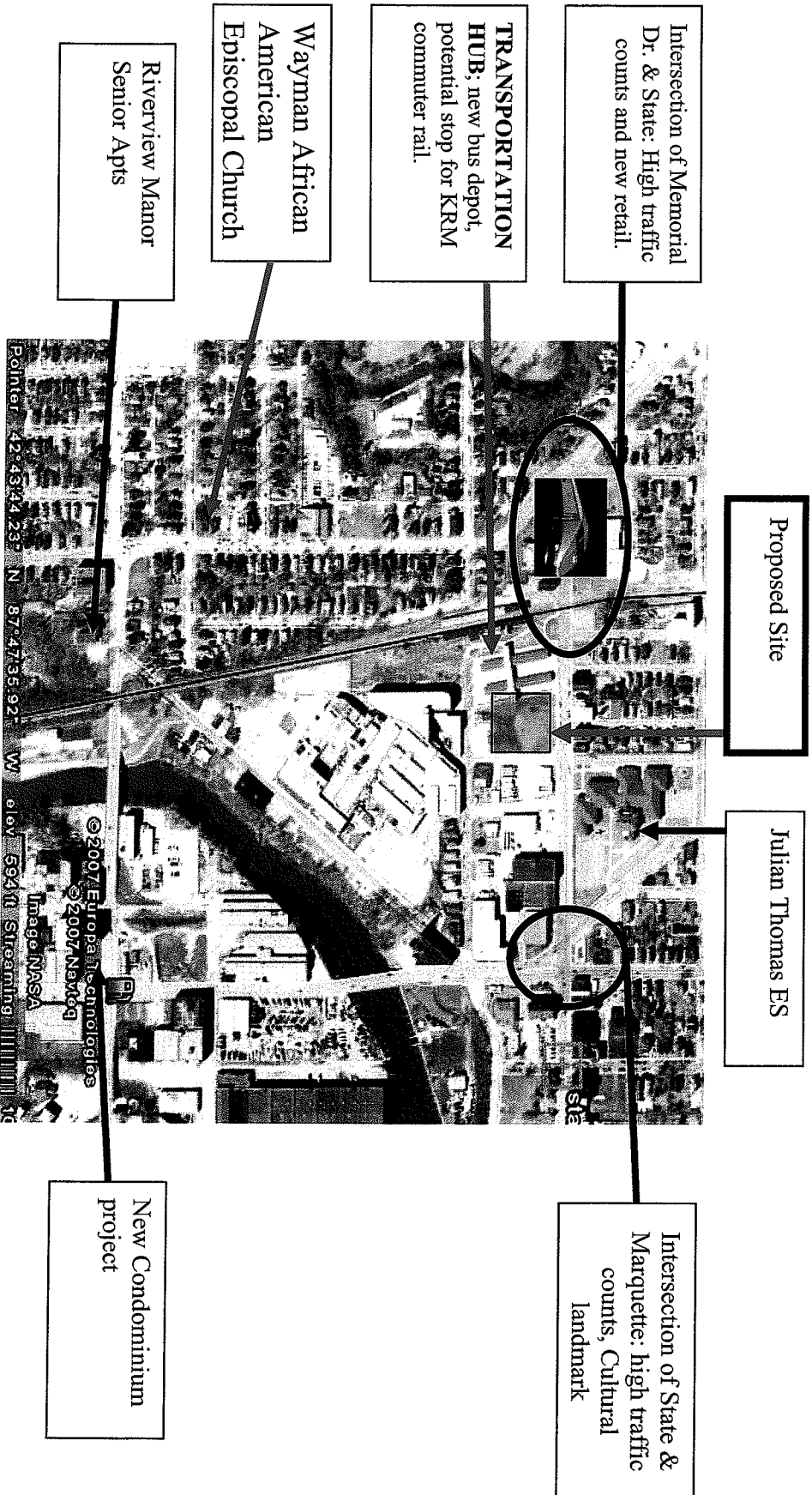
FIRST FLOOR SITE LAYOUT

Below is a conceptual layout of the project. The layout aims to create a "sense of place" by including the following components: 1) create a 3-story, mixed-use building facing State Street. The mixed-use concept will bring more density and traffic to the area, compliment other retail in the area, maintain the street edge, and compliment the transportation hub. 2) Enhance the "gateway" affect of the location by developing a 3-story mixed-use building at the site. 3) Create diverse housing option, which integrates the project more fully with the residential component in the area. The project proposes the development of several townhouse units, which will be accessible directly from the street. The project also contains one, two and three bedrooms.



LOCATION

The site is a key location on State Street in Racine Wisconsin, and ideal location for a mixed-use, high-impact concept such as the Corinne Owens Square. Corinne Owens Square is highly visible and accessible; located between two high traffic intersections (Memorial Drive and Marquette), is adjacent to a regional transportation hub, is in the heart of Racine's African American cultural assets, and is directly across the street from an elementary school. The site has market strength; recently a McDonald's located to the site and a Walgreens located in the area.



PROJECT IMPACT

- ‡ **REMOVE BLIGHT:** Project will replace blighted, under-utilized properties, helping to catalyze revitalization in area.
- ‡ **JOBS:** Project will create permanent and construction jobs in Racine's minority communities.
- ‡ **JOB TRAINING:** Training opportunities for local residents via local training programs.
- ‡ **LOCATION:** In close proximity to existing transit routes and within walking distance of products and services.
- ‡ **NEW BUSINESSES:** Project will attract up to 3 new businesses.
- ‡ **AFFORDABLE APARTMENTS:** At least 39 quality, affordable apartments
- ‡ **"GREEN" FEATURES:** Project will utilize environmentally friendly design and incorporate "green"- friendly material and appliances.
- ‡ **EXPAND TAX BASE:** Project will significantly expand the local tax base.
- ‡ **IMPROVE SAFETY/SECURITY:** Project install more cameras, add lighting and bring more activity to area.
- ‡ **PARKING:** project will create new interior and exterior parking spaces.
- ‡ **COMPLIMENT OTHER PROJECTS IN AREA:** Compliment projects specified in the Racine Downtown Plan.
- ‡ **ATTRACTIVE DESIGN:** The building will maintain the architectural integrity of the area and have progressive design elements.
- ‡ **HISTORICAL CONTENT:** Project named after Corinne Owens, local champion of education and civil rights.
- ‡ **COMMUNITY SUPPORT:** The project will support the scholarship fund of the Community Women's Club.

PROPOSED DEVELOPMENT TEAM

DEVELOPER: The Dorsey Group, LLC/Commonwealth Development Company

COMMUNITY PARTNERS:

- First Choice Pre-Apprenticeship Training Program
- Community Women Club
- Wayman African American Episcopal Church: One of the oldest Black churches in Wisconsin, founded in 1869; 424 Memorial Drive

LEGAL: Reinhart, Boerner, Van Deuren, Sc

ARCHITECT: Deign II Architects

ACCOUNTANT: Suby, Von Haden & Assc

ENVIRONMENTAL CONSULTANT: TBD

GENERAL CONTRACTOR: Commonwealth Construction Company

PROJECT DEVELOPMENT BUDGET

CORINNE OWENS SQUARE DEVELOPMENT BUDGET - SOURCES & USES

USES OF FUNDS	Total Costs	
	\$	%
TOTAL REQUIREMENTS	\$9,134,651	100.0%

SOURCES OF FUNDS

Equity	\$6,899,346	76%
First Mortgage	\$1,420,798	16%
Other: FHLP AHP	\$350,000	4%
Other: Brownfields	\$350,000	4%
Total third Party Sources	\$9,020,143	
Deferred Developer's Fee	\$114,508	1%
TOTAL SOURCES	\$9,134,651	100.00%

TIMELINE

JUNE/JULY 2007	Discuss proposed project with Mayor and local Alderman, obtain commitment for options, Receive approval to use name of Corinne Owens.
AUG/SEP 2007	Complete conceptual drawings. Complete preliminary cost estimate. Finalize development team. Present project to City planning and development and to local Alderman. Begin process of obtaining options on privately owned properties.
SEP - DEC	Obtain options on land. Plan review; obtain city approval for project. Solidify commercial tenant commitments;
DEC/JAN 2008	Complete marketing plan, Complete budget and LIHTC application, obtain letters of support, obtain financing commitments, obtain intent to lease for commercial space
JAN/FEB	Submit LIHTC application to WHEDA
APR - OCT	If credits awarded; finalize construction drawings, BID Construction, select equity/debt investors, sign leases, resolve all environmental issues, establish local neighborhood hiring/apprenticeship plan
OCT	Close on financing, purchase property, and begin construction
JULY/AUGUST 2009	Construction complete, lease-up begins, Commercial tenants begin operation