

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

**DATE**

June 28, 2022

**RESPONSIBLE STAFF**

Matthew Haessly, Department of City Development

**REDEVELOPMENT PROJECT AREA-BLIGHT ELIMINATION**

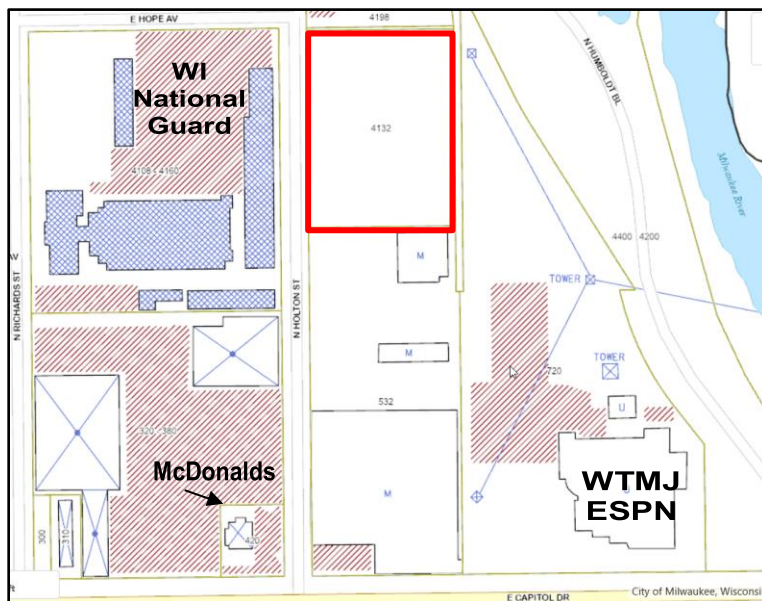
On February 21, 2013, the Redevelopment Authority of the City of Milwaukee ("RACM") adopted File No. 10401 and the Common Council adopted File No. 121557 approving the blight designation, and foreclosure action upon the tax-delinquent brownfield property at 4132 North Holton Street (the "Property") and subsequent conveyance to RACM.

The Property was transferred to RACM so that RACM could work with and coordinate with the Wisconsin Department of Natural Resources ("WDNR") and United States Environmental Protection Agency ("USEPA"), that together represent the "Regulatory Authorities" to facilitate an authorized Remediation, Long-Term Care and Access Agreement with Fisher Controls International LLC and Pharmacia LLC (the "Potential Responsible Parties" or "PRPs") at the Property.

The PRP's in coordination with the Regulatory Authorities removed the primary sources of the contamination at the Property. The PRPs have complied with the terms of the authorized Remediation, Long-Term Care and Access Agreement to a point whereas the PRPs have installed an engineered cap on the Property in accordance with the Regulatory Authorities and continue to conduct groundwater monitoring at the Property in accordance with Regulatory Authority's guidelines.

**PARCEL ADDRESS AND DESCRIPTION**

The Property consists of a vacant lot having approximately 161,608 square feet. RACM listed the Property for sale in 2021 and received two proposals. RACM staff selected Spike Brewing LLC.



 RACM Property

**BUYER**

4132 Holton LLC, Ben Caya, managing member, (the "Buyer") is also the managing member of Spike Brewing LLC which started a little over 10 years ago in a college basement. While Ben Caya, owner of Spike, was going to UW-Milwaukee to study engineering, he started a side business of buying and selling beer kegs. Many of his customers were buying the beer kegs to brew beer with, so he decided to turn the kegs into beer brewing kettles himself. The business has taken off ever since. Currently, Spike has roughly 25 full-time employees in a 24,000 square foot facility, located in the Riverwest neighborhood and sells their products across the United States and into Canada. Spike specializes in all things brewing equipment related: brewing kettles, fermenters, brew systems, brewing pumps, electrical panels and beer chilling devices.

For almost eight years, Spike Brewing LLC has called Riverwest home. Spike is looking to expand into a larger facility while remaining in the neighborhood. A nearly four acre, RACM-owned property was listed for sale and Spike was fortunate to win the bid for the property. However, since the property is a contaminated site, extensive cleanup efforts have been completed and more environmental work will need to be done to make the site useable again.

**PROJECT DESCRIPTION**

Spike's plan is to build a 73,000 square foot state-of-the-art manufacturing facility, of which Spike will occupy about 50,000 square feet. The remaining portion of the building will be rented out temporarily, with the long-term plan to have Spike take over the full building as the business continues to grow. The larger building will allow the company to implement three new production lines immediately: an electrical panel assembly department, a CNC tube bending line as well as a commercial fermenter production line. The company estimates the new production lines will allow us to add 15-20 new employees over the next three years.

The heavy emphasis on glass as opposed to solid walls is a unique feature of the building. The lot is tucked back near the Milwaukee River, giving its employees some great views of green space. The Buyer's goal is to have the building be 100 percent solar powered. The building will also have a cutting edge test brewery, where Spike plans to host classes to teach the local community about brewing beer at home.

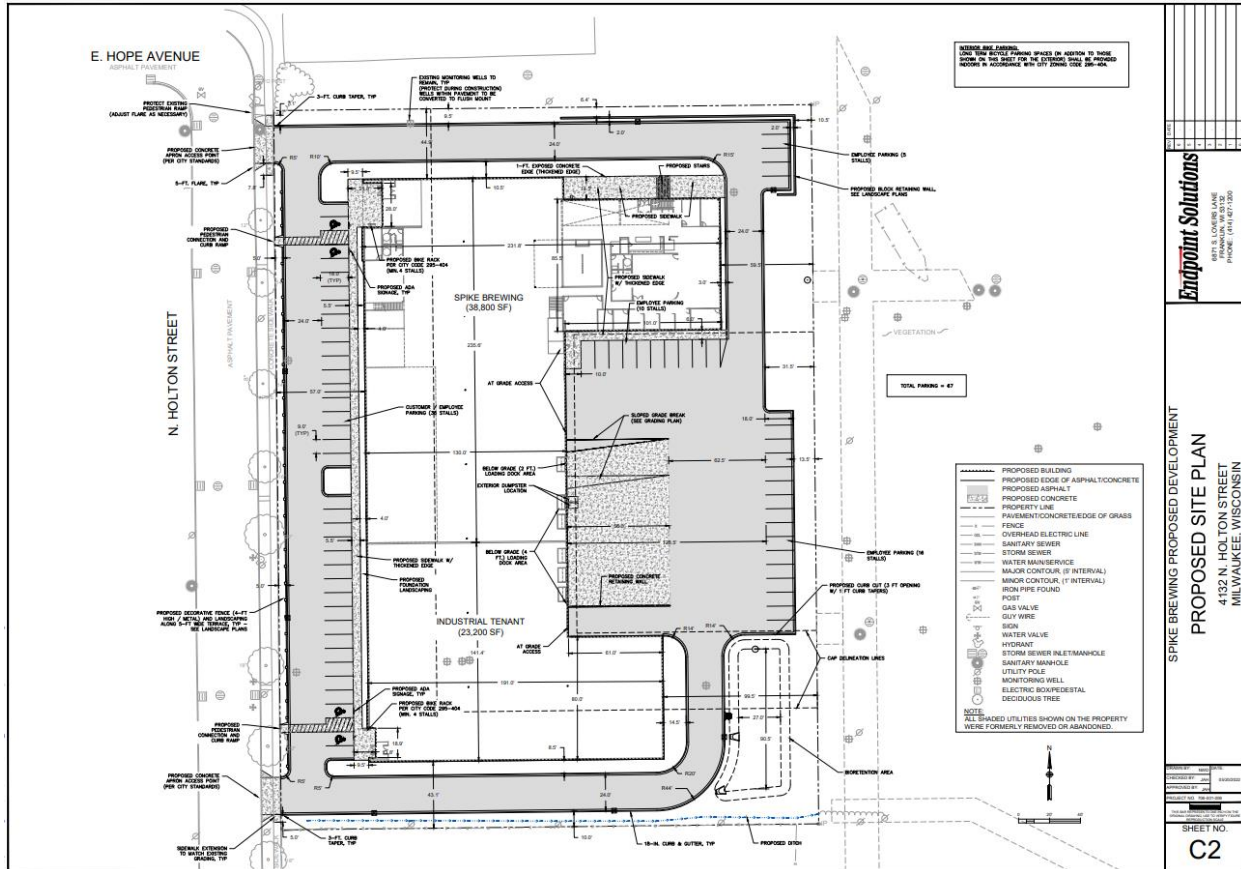
The estimated budget is \$9,000,000 with the Buyer's capital stack including New Market Tax Credits, conventional financing and RACM revolving loan fund.



Front



Back



**PURCHASE TERMS AND CONDITIONS**

Due to the significant costs to prepare the site for construction, the purchase price is \$1.00 and Buyer shall pay all closing costs. The conveyance will be on an "as is, where is" basis. The Buyer agrees to obtain all necessary City permits and approvals, including Board of Zoning Appeals approvals, as needed. The Buyer will pay a \$5,000 performance deposit regarding Buyer's duty to complete construction and obtain a Certificate of Occupancy within 20-months of closing. Buyer will be required to meet the City's General Buyer Policies.

The deed will contain a restriction prohibiting the Buyer or its successors from applying to the City for tax-exempt property status, and a deed restriction prohibiting Buyer from conveying to another prior to Buyer obtaining the Certificate of Occupancy. The sale proceeds shall be credited to the Delinquent Tax Fund.