

**LAND DISPOSITION REPORT
TO THE
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE

October 1, 2004

PARCEL DESCRIPTION AND HISTORY

3070 North Dr. Martin Luther King Jr. Drive. A former filling station at the southeast corner of King Drive and Burleigh consisting of a 319 square foot building on a 4,560 square foot lot. The property was on the City's Tax Delinquent Brownfield List for 14 years because of its past use. After the City conducted environmental testing and tank removal using state brownfield funds, the foreclosure action was commenced and the property was acquired in Spring 2004. The site has since become eligible for the state's Petroleum Environmental Cleanup Fund Act (PECFA) and these funds can be used to reimburse the City for additional testing and remediation.

BUYER & PROPOSED USE

James Lindsay, an area resident who has worked as a kitchen manager and a seasonal accountant, is proposing to improve the existing building as carry-out restaurant specializing in chicken and fish. The Board of Zoning Appeals conditionally approved a special use permit for the proposed use. Estimated renovation costs are approximately \$120,000. Mr. Lindsay, with assistance from the Wisconsin Women's Business Initiative Corporation (WWBIC), prepared a business plan for a carry-out restaurant. WWBIC has since approved a \$60,000 loan for him. Mr. Lindsay also has secured a \$54,000 grant from the Department of Commerce for building improvements and site remediation.

DCD has been working with Mr. Lindsay since 2001 on the acquisition of this property. Mr. Lindsay first submitted an application to acquire the property through the state's 75.106 tax-delinquent brownfield redevelopment program. DCD continued to work with Mr. Lindsay after the City acquired it through tax foreclosure given his past investment in building plans.

OFFER TERMS AND CONDITIONS

The purchase price will be \$10,000.00, which recognizes the poor condition of the building and the environmental condition of the site. The base option term is six months to allow the Buyer to obtain final building plans and financing. The Commissioner of City Development may extend the option for two additional three-month periods upon submission of a written progress report and a \$250.00 renewal fee for each request.

A \$250 Option Fee and a \$1,000 Performance Deposit are required. The Option Fee shall be credited toward purchase price if the buyer closes within the initial option period. The performance deposit will be held by DCD to guarantee completion of the improvements. Closing is contingent on DCD approval of final construction plans and financing. An Agreement for Sale will be required to outline the terms of closing and to provide for reversion of title in the event of default. A 20% development fee and other expenses will be paid to the Redevelopment Authority at closing.

FUTURE ACTIONS

Upon approval of this Report by the Common Council, the Department of City Development will enter into a sale agreement and proceed to close in accordance with the terms and conditions expressed in this report.

Respectfully submitted,

Joel T. Brennan
Manager, Real Estate and Management Services