

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

DATE

June 15, 2006

RESPONSIBLE STAFF

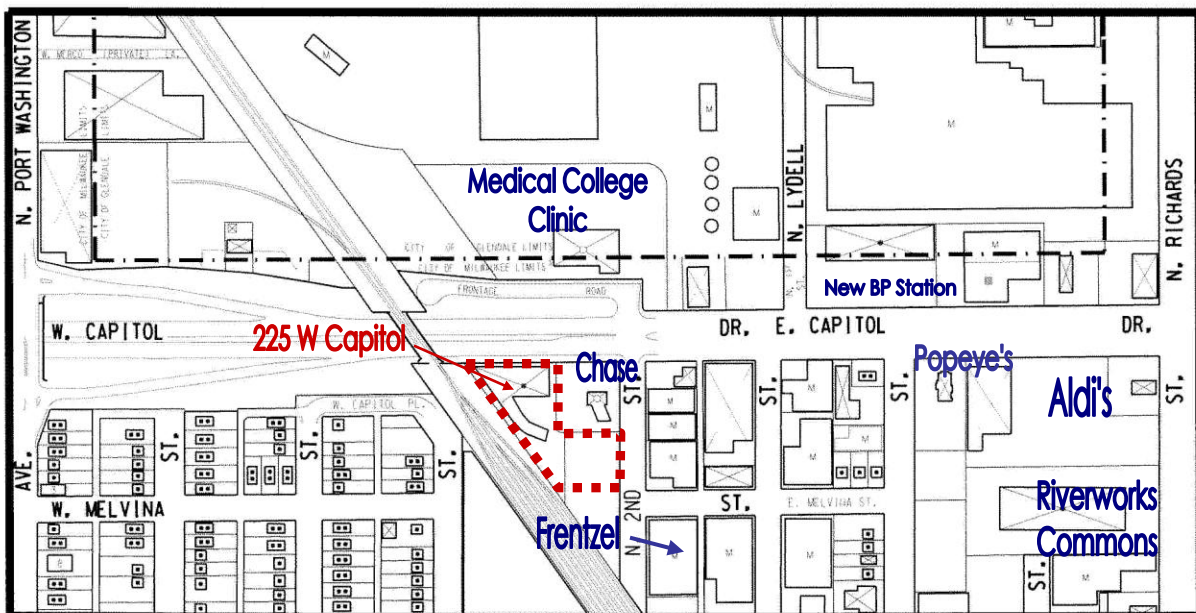
Matt Haessly, Real Estate Section (286-5736)

BACKGROUND/PURPOSE OF AMENDING PURCHASE AND SALE AGREEMENT

This report amends the proposed use of the property approved by the Common Council via File No. 050585 on December 13, 2005 to include educational uses. The Redeveloper has been unsuccessful in securing commercial and/or industrial tenants and has been contacted by Lad Lake School to lease the building for educational and office uses. On June 8, 2006, the Board of Zoning Appeals approved the use variance for the property.

REDEVELOPMENT PROJECT AREA

Blight Elimination/Riverworks: In 2003, the Redevelopment Authority acquired the properties at 225 West Capitol and 3901 North 2nd Street. The properties are located in the Riverworks Industrial Center, Riverworks Business Improvement District and Tax Incremental District No. 24. The improvements at 3901 North 2nd Street were razed and environmental testing has been conducted.



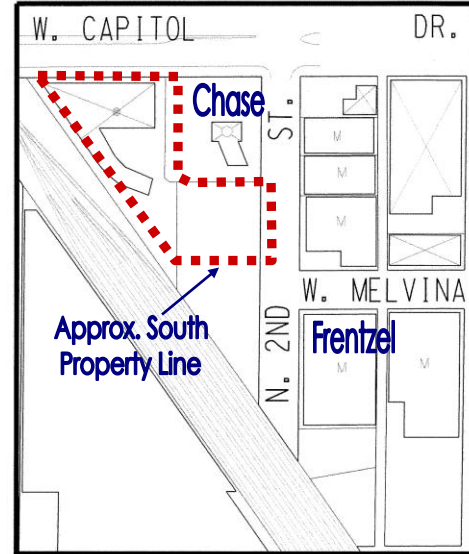
REDEVELOPER

Phillip Katz-Project Development LLC and Williams Development Corporation ("KW"). A new, limited liability company will be formed prior to the real estate conveyance.

PARCEL ADDRESSES & DESCRIPTION

225 West Capitol and part of 3901 North 2nd Street have a combined area of 51,014 square feet. A Certified Survey Map was prepared in anticipation of the property sale.

Phase II testing has been conducted on the site. The Authority will work with Redeveloper and DNR to obtain closure with the building and parking lot acting as an engineering control to cap the contamination.



PROJECT DESCRIPTION

The building will be restored – including removal of the metal panels and restoration of the original window openings. Other improvements will include repairing the masonry, installing a new loading dock and building entry, making the building ADA compliant and incorporating sustainable construction techniques, where practical. The rear lot will provide parking spaces.



PURCHASE/SALE TERMS AND CONDITIONS

The purchase price remains to be \$200,000. A credit may be granted at closing based on environmental and/or demonstrated economic infeasibility. A \$10,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project. The Redeveloper will need to obtain financing and final plans that are satisfactory to the Authority, prior to closing.

PAST ACTIONS

The Redevelopment Authority authorized a land use change to include an education use on June 15, 2006.

FUTURE ACTIONS

Upon Common Council approval, the Redeveloper will obtain firm financing and approval of final plans prior to closing. The Purchase/Sale Agreement will be drafted in accordance with the terms and conditions expressed herein, in the resolution adopted by the Authority and in Common Council File No. 050585.