

**BLIGHT DESIGNATION SUMMARY AND LAND DISPOSITION REPORT  
MUSKEGO AND GREENFIELD/PETE'S MARKETPLACE PROJECT**

**DATE**

May 21, 2009

**RESPONSIBLE STAFF**

Dwayne Edwards, Neighborhood and Business Development Team (286-5735)

**PROPOSED ACTIVITY**

Declare two privately owned properties "blighted" for acquisition by the Redevelopment Authority and authorize subsequent conveyance to Pete's Marketplace, Inc. for expansion of Pete's Fruit Market. All acquisition expenses will be paid by Pete's Marketplace pursuant to a Redevelopment and Eminent Domain Contract.

The project is in the South Cesar Chavez Retail Corridor that has been targeted for commercial concentration in the draft Near South Side Plan.



**PROPERTIES TO BE ACQUIRED**

Two adjacent vacant lots owned by Eligo and Anna Cetina. Both lots were fenced together in 2007 and are unused with no evidence of parking, but with some material storage:

**1443 South Muskego Avenue**

Description: 3,000 SF vacant lot, 25' by 120'  
A single family house was raised in 2006 by the owners after a City raze order was issued.  
Assessment: \$4,700  
Tax Status: Current  
Code Status: No unabated violations.

**1445-47 South Muskego Avenue**

Description: 6,000 SF vacant lot, 50' by 120'.  
A single family house was raised in 2007 by the owners after a City raze order was issued.  
Assessment: \$10,500  
Tax Status: Current  
Code Status: No unabated violations.

View From Muskego looking SW



View from Pete's Parking Lot looking NE



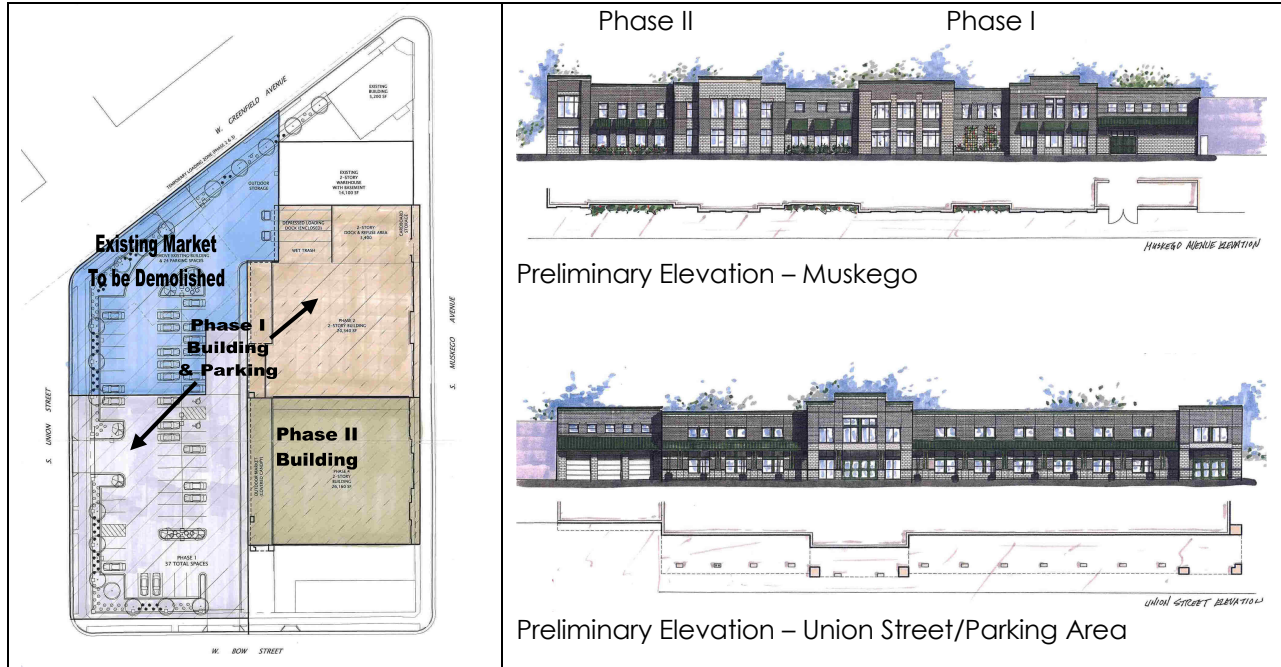
**FINDINGS OF BLIGHT**

The properties meet the statutory definition of blight by virtue of the vacant or partially vacant status of the lots, minimal site improvements and irregular lot platting condition all of which substantially impair and arrests the sound growth, use and development of the community and adversely affects the public welfare. Foremost, the condition of these properties inhibits redevelopment of the South Cesar Chavez Commercial Corridor and restricts job creation and retention in the neighborhood.

**REDEVELOPER & PROPOSED REDEVELOPMENT**

Pete's Marketplace, Inc. The company, founded in 1987, operates Pete's Fruit Market as a full service, grocery and produce company that specializes in large volume fruit processing and packaging services. Pete's currently operates in a 27,000 SF facility at 1645 West Greenfield Avenue and employs 35. Pete Tsidiris is President and Chief Executive Office of the company.

Pete's Fruit Market has a critical expansion need in order to add a distribution center and other operations from outside Milwaukee. The company has acquired all but three properties its needs for its expansion. Direct purchase negotiations have been unsuccessful with the Cetina's, owners of the vacant lots to be acquired. Pete's is continuing negotiations for an owner-occupied single-family house, which is not eligible for acquisition and disposition by the Authority under new state eminent domain statutes.



The planned expansion will contain approximately 51,790 SF and will be constructed in two phases. The two-story building will contain ground level retail space and shipping/receiving area and second floor processing areas and office space. The building will be constructed in two phases because of the time required for the property acquisitions. Phase I will contain approximately 25,630 SF of building area and loading docks and construction of 37 parking spaces. After the Authority's acquisition of the Cetina parcels, the 26,160 SF Phase II section will be constructed. The existing market will then be demolished to create additional parking.

Total project costs are estimated to be \$5.745 million. The project will create 45 full and part-time jobs, as well as retain the existing 35 employees. All site preparation, including any environmental testing or remediation, will be the responsibility of Pete's. Pete's expects to use 20% Emerging Business Enterprises in the expansion.

**REDEVELOPMENT & EMINENT DOMAIN CONTRACT**

Pete's Marketplace, Inc. will pay all acquisition expenses as outlined in a Redevelopment and Eminent Domain Contract. Redevelopment Authority acquisition procedures will be followed including obtaining site access for any recommended Phase II environmental testing prior to the appraisal and incorporation of environmental information in the valuation. As required by Chapter 32.05, Wisconsin Statutes, the property owner will be provided with an independent appraisal by the Authority and shall be given the opportunity to have the property appraised by an appraiser of its selection at the Redevelopment Authority's expense. The owner will also have all rights to challenge the taking and the amount of compensation as provided by Chapter 32.05.

After acquisition, the properties will be conveyed to Pete's Marketplace, Inc. upon reimbursement of all of the Authority's acquisition expenses. The conveyance will be on an "as is, where is" basis.

**PAST ACTIONS**

On May 21, 2009, the Redevelopment Authority held a Public Hearing on the blight designation after which it conditionally approved the blight designation and acquisition of the properties at 1443 and 1445-47 South Muskego Avenue and which are described in Exhibit A attached hereto. The hearing concurrently addressed the subsequent disposition of the properties pursuant to Wisconsin Statutes.

**FUTURE ACTIONS**

Upon approval by the Common Council, the Redevelopment Authority will execute the Redevelopment and Eminent Domain Contract with Pete's Marketplace, Inc. The Authority will proceed with the acquisition of properties pursuant to Section 32.05, Wisconsin Statutes, upon Pete's initial deposit for acquisition funds.

Because the properties will be conveyed to a third-party buyer after acquisition, the Authority also will follow, without admitting or denying that Section 32.03(6) applies, the procedures outlined in Wisconsin Statutes Section 32.03(6) that requires providing the owner with the findings of blight and other information. No Relocation Plan will be required since the properties are vacant and are not used by the Cetina's.

**Exhibit A**  
Legal Description  
Parcels to be Acquired from Eligo Cetina and Anna Cetina

Pursuant to Wisconsin Statutes, Section 32.03(6)(c)2, the legal description of the subject parcels to be acquired from Eligo Cetina and Anna Cetina are as follows:

1. 1443 South Muskego Avenue / Tax Key No. 460-1332-000-4  
The Northerly 25 feet of Lot 12, in Block 136, in Walker's Point Southern Addition, in the West  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of Section 6, in Township 6 North, Range 22 East, in the City of Milwaukee, Milwaukee County, Wisconsin, being so much of said Lot as lies Northerly of a line drawn through the same parallel to the Northerly line thereof and 25 feet distant therefrom.
  
2. 1445-47 South Muskego Avenue / Tax Key No. 460-1333-000X  
The Southerly  $\frac{1}{2}$  of Lot 12 and the Northerly 25 feet of Lot 13, in Block 136, in Walker's Point Southern Addition, in the West  $\frac{1}{2}$  of the Northeast  $\frac{1}{4}$  of Section 6, in Township 6 North, Range 22 East, in the City of Milwaukee, Milwaukee County, Wisconsin.