

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

DATE

October 16, 2003

REDEVELOPMENT PROJECT

Blight Elimination/Riverworks. These properties are in the Riverworks Tax Incremental Finance District and were declared blighted for acquisition in May 2001. Acquisition was completed in early 2003 and the improvements are currently being demolished.

REDEVELOPER

3901 North Richards, LLC, a limited liability company formed by Northeast Milwaukee Industrial Development Corporation to own the real estate and develop the project. Current projects include a \$2 million retail development at 3901 North Richards Street under construction.

PARCEL DESCRIPTION

3880-96 and 3908 North Palmer Street: Two contiguous parcels that contain 38,784 square feet of land area. Both sites had previously been used for automotive use and the Authority conducted Phase II environmental testing prior to acquisition. The sites have soils with low levels of various metals and closure requests are pending at the Wisconsin Department of Natural Resources.

PROPOSED DEVELOPMENT

The sites will be assembled with Redeveloper's adjacent property at 3901 North Richards Street for development of Phase II of the Riverworks Commons shopping center. The addition will contain approximately 21,500 square feet of leasable space.

OFFER TERMS AND CONDITIONS

The purchase price for the RACM/City land is \$116,400, or approximately \$3 per square foot of land area. RACM will deduct a 20% development fee from the gross sale proceeds.

A \$3,492 Option Fee and a \$10,000 Performance Deposit are required. The Option Fee shall be credited toward purchase price if Redeveloper closes within the initial option period or the period as extended due to environmental considerations. The performance deposit will be retained by the Redevelopment Authority in accordance with the terms of the Agreement for Sale so as to guarantee completion of the improvements. The deed of conveyance will contain a restriction joining the Authority's properties with Redeveloper's adjoining property so as to create a single parcel that cannot be divided without the prior approval of the Common Council.

The base option term is six months to allow the Authority to obtain site closure from the Wisconsin Department of Natural Resources and for Redeveloper to obtain final building plans and financing. If the closure request delays the project, the Executive Director may extend the option for three months without charge or penalty. If Redeveloper requests additional time to obtain financing or complete building plans, the option may be extended by the Executive Director for two additional three-month periods upon submission of a satisfactory written progress report and a \$500 renewal fee for each request.

In addition to the aforesaid terms, the sale will be further conditioned as required in the Redevelopment Authority resolution adopted on October 16, 2003, and in the Option to Purchase submitted by Redeveloper.

PAST ACTIONS

The Redevelopment Authority held a public hearing on October 16, 2003, after which it conditionally accepted the Option to Purchase of the named Redeveloper.

FUTURE ACTIONS

The Redevelopment Authority conducted a public hearing on the disposition on October 16, 2003. Conveyance of the property is contingent on the Common Council's approval of the vacation resolution and the Authority's authorization of the conveyance.

Respectfully submitted,

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE**

Gregory J. Shelko
Assistant Executive Director-Secretary