

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

**DATE**

July 7, 2004

**BUYER**

Vetter Denk Properties. John Vetter and Kelly Denk, principals of Vetter Denk Architects, Inc., will form a new company to acquire and develop the site. In addition to architectural services, the principals are involved in the development of the RiverHomes and Park Terrace condominiums in the Beerline area.

Vetter Denk submitted its proposal in response to a Request for Proposal that was published by DCD. One other proposal was received and both parties interviewed. After review by DCD staff, Vetter Denk was recommended based on conformance to review criteria, completeness and feasibility of its proposal and development experience of the firm.

**PARCEL ADDRESS & DESCRIPTION**

161-63 and 165-69 South 1st Street: Two adjoining tax-deed vacant lots with approximately 5,800 SF of land area. The site has frontage of 75 feet on South 1<sup>st</sup> Street and 70 feet on West Pittsburgh. Railroad tracks abut the west property line and create an irregular lot line. Site development is also hindered by a retaining wall on West Pittsburgh.

The property is in the South First and Second Streets National Register Historic District and is just south of the Historic Third Ward. The neighborhood has seen considerable redevelopment including the renovation of the Brass Light Gallery to the north, the Fifth Ward Loft Apartments one block south and numerous condominiums to the north along the river.

**PROPOSED REUSE**

Construction of a five-story mixed-use building consistent with the historic district that will contain a gross area of about 30,000 SF. The first floor will provide 1,400 SF of retail space and the second floor will contain offices -- possibly Vetter Denk's architectural firm. The upper floors will contain 16 open-loft live/work units and one penthouse that will be available for purchase. The price range for the units will be \$195,000 to \$300,000. Parking will be provided underground. Total development costs are estimated to be \$3.9 million.

**OPTION TERMS AND CONDITIONS**

The purchase price shall be \$145,000, or approximately \$25 per square foot, which was the asking price in the Request for Proposal. A \$5,000 Option Fee shall be submitted upon Common Council approval and shall be credited toward the purchase price if the sale closes within the initial option period.

The initial option term is six months commencing with Common Council approval and will enable the buyer to obtain a survey, to prepare final building plans and financing and to conduct geo-technical and environmental due diligence. The option may be extended by the Commissioner of DCD for up to two three-month periods upon submission of a satisfactory written progress report on its effort to obtain final construction plans and financing and a \$250 renewal fee.

**FUTURE ACTIONS**

Prior to closing, an Agreement for Sale shall be negotiated to outline the performance requirements for the project and shall contain reversion of title provisions in case the buyer fails to perform as agreed. Closing shall be contingent on DCD approval of final building plans and financing. A \$10,000 Performance Deposit will be required at closing to help guarantee successful redevelopment of the property. Upon closing, the net sale proceeds, less a 20% development fee to the Redevelopment Authority and other accrued costs, will be placed in the Reserve For Tax Deficit Fund.

Respectfully submitted,

Martha Brown  
Acting Commissioner  
Department of City Development