

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

**DATE**

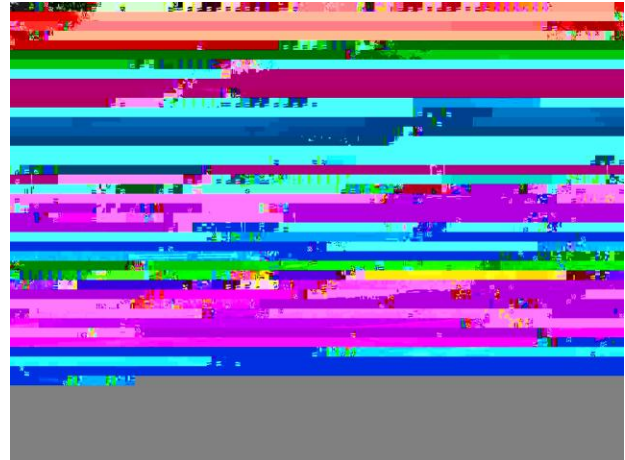
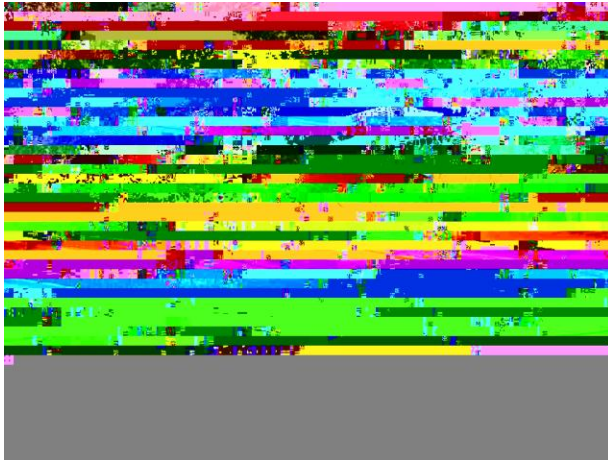
October 1, 2001

**DEVELOPER**

Rainmaker Enterprises, Inc. Andy Busalacchi, the president, is an experienced developer specializing in the conversion of industrial properties to residential use. His major efforts include conversion of the Western Leather Lofts at 904 East Pearson Street to 54 residential condominiums and two commercial units and the Partshouse, an old warehouse at 2<sup>nd</sup> and Maple in Walker's Point that is being converted a 56-unit condominium. In addition, Mr. Busalacchi operates a heating and cooling company.

**PARCEL ADDRESSES & DESCRIPTION**

2941-55 North Humboldt Boulevard: A 33,942 square-foot manufacturing building situated on a 35,567-square-foot lot. The masonry and steel frame building, constructed in 1948, is currently a mix of office space along North Humboldt Boulevard and manufacturing and warehouse space to the rear. The property was acquired by the City through tax foreclosure in September 1998. The City then obtained a Site Assessment Grant from the State of Wisconsin to remove the underground tanks from the building. Additional environmental investigation is in process.



2963 North Humboldt Boulevard: A 6,600 square-foot vacant lot. The property was a former gasoline station that was acquired by the City through tax foreclosure in March 2001. The City received another Site Assessment Grant to demolish the improvements and to fund a portion of environmental testing and remediation. The City is also seeking reimbursement of additional testing costs from the PECFA program.

The buyer also owns the former railroad right-of-way at 1001 East Chambers Street that is immediately west of the City's building.

**PROPOSED REUSE**

Conversion of the existing manufacturing building into a multi-tenant office, retail and light industrial facility that will be known as the "Post Building," named after the former occupant of Teledyne Post Engineering Supplies. Preliminary plans call for 10 spaces with 1,350 to 5,300 square feet of space that will be marketed primarily toward small businesses that require either office space or a combination of office/warehouse space with truck access. Three of the units are tentatively targeted for limited retail use. The total site will include the two city properties plus the adjoining land owned by the buyer. Approximate development costs are \$2.0 million. The buyer has obtained a loan commitment for the building purchase and a line of credit for the renovation costs.

**OPTION TERMS AND CONDITIONS**

The purchase price is \$250,000.00, which is based on an in-house valuation. A \$4,000.00 option fee is required and will be credited toward the purchase price if the buyer closes prior to expiration of the first option period.

The base option term is for six months commencing on the date of Common Council approval. The option may be extended by the Commissioner of the Department of City development for up to two three-month periods upon submission of a satisfactory progress report on buyer's efforts to obtain final plans and financing and payment of a \$250.00 renewal fee for each request. Redeveloper will also be required to execute an Agreement for Sale and submit at closing a \$10,000 Performance Deposit, which will be held until satisfactory completion of the project.

The purchase price will be paid in full at the time of closing. 15% of the sales price will be paid to RACM as a development fee. The performance deposit will be retained by the City of Milwaukee in accordance with the terms of the Agreement for Sale so as to guarantee completion of the improvements.

The sale will be further conditioned upon satisfactory review and approval of site and building plans by DCD staff and upon submittal of firm financing.

**PAST ACTIONS**

The Common Council approved the surplus declaration and sale of the property at 2941-55 North Humboldt Boulevard to Rainmaker Enterprises, Inc. on July 25, 2000, by passage of File No. 000417. Residential redevelopment was not feasible as originally planned and Rainmaker has submitted a revised proposal for commercial reuse.

**FUTURE ACTIONS**

Upon approval of this Report by your Honorable Body, and receipt of requisite approvals by regulatory bodies, the City of Milwaukee will enter into said Agreement for Sale and proceed to close in accordance with the terms and conditions expressed herein and contained in the form of contract and resolution referred to above.

Respectfully submitted,

A black rectangular redaction box covering the signature of Gregory J. Shelko.

Gregory J. Shelko  
Manager, Real Estate and  
Development Services

EMM:bmm