

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

DATE

January 22, 2002

BUYER

Kunzelmann Esser Loft Apartments, LLC: A limited liability corporation created by the Gorman Company of Madison, Wisconsin for the purchase and redevelopment of the former Kunzelmann Esser furniture store at 710 West Historic Mitchell Street. This project is the fourth Milwaukee project for the Gorman Company, a real estate development and management firm established in 1984 by Gary Gorman. Recently the company redeveloped the Historic Fifth Ward Lofts at South 1st Street and Oregon and the 117-unit Golden Dome apartments on South 6th Street. In addition, in 1999 it built the Arbor Ridge Apartments, a 180-unit development on North 107th Street. The company has over 2,100-units under management in the Milwaukee, Madison, Janesville, Fond du Lac and Sheboygan areas.

PARCEL ADDRESS & DESCRIPTION

1653 South 7th Street: A former City parking lot containing approximately 11,310 square feet of land area. The parking lot has seen very limited use in recent years and the Department of Public Works concurs in its disposition.

PROPOSED REUSE

Use as a 30-space parking lot for the adjacent Kunzelmann Esser Loft Apartments. The adjoining eight-story, 92,000-square foot building is to be redeveloped with ground-level retail space and 67 loft-style apartments. The total investment will be about \$8.0 million.

OPTION TERMS AND CONDITIONS

The purchase price will be \$20,000, or approximately \$1.77 per square foot of land area. The offer term is for six months, to enable the buyer to obtain financing and final plans for both the parking lot and building redevelopment. The Commissioner of DCD may extend the offer upon submission of satisfactory evidence of the buyer's efforts to obtain final plans and financing and would be authorized to issue a credit toward purchase price in consideration of the project's financial feasibility. In addition, the deed of conveyance will require that the lot be joined with buyer's adjoining property so as to create a single parcel that cannot be separated without the prior approval of the Common Council.

Upon closing, the net sale proceeds will be returned to the Department of Public Works' parking fund.

Respectfully submitted,



Gregory J. Shelko
Manager, Real Estate and Development Services

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