

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

DATE

November 21, 2002

REDEVELOPMENT PROJECT AREA

Blight elimination in the vicinity of South Kinnickinnic Avenue and East Becher Street. The City acquired the property in 1998 through tax foreclosure and conveyed the parcel to the Redevelopment Authority for disposition. The property is located near the north end of the South Kinnickinnic Avenue commercial district.

REDEVELOPER

Big Bend Development, LLC has four principals: Peter Schwabe, Dan Schwabe, Jay Henrichs and Randy Scoville. Together, these principals have over 45 years of experience in the development industry. Big Bend Development, LLC has developed several commercial and residential projects, which include:

- State Street Center in Racine, Wisconsin – a redevelopment of an urban site into new multi-tenant retail
- Lone Oak Center in Hartford, Wisconsin – a multi-tenant commercial retail development
- Paddock Lake Retail Center in Kenosha, Wisconsin – a new multi-tenant retail development
- Waterford Retail Center in Waterford, Wisconsin – a new multi-tenant retail development
- Sunset Fields Shopping Center in Waukesha, Wisconsin
- The Pinnacle at Bishop's Wood in Brookfield, Wisconsin – 22 acres of Class A corporate business park development
- Fontana Club Condominiums in Fontana, Wisconsin – upscale condominium redevelopment
- Sunset Glen in Vernon, Wisconsin – a 28-lot single family residential development

PARCEL ADDRESS & DESCRIPTION

2121 South Kinnickinnic Avenue: Approximately a 75,000 square foot vacant lot located near the southeast corner of East Becher Street and South Kinnickinnic Avenue. The property was formerly occupied by a dry cleaning facility that was subsequently demolished by the City of Milwaukee. Since acquiring the parcel, the City of Milwaukee and the Redevelopment Authority have incurred approximately \$350,000 in demolition, environmental testing and tank removal costs and marketed the parcel for new development. The Redevelopment Authority has secured funds from the Community Development Block Grant Office for future remediation expenses. The Redeveloper has agreed to work with the Redevelopment Authority on an acceptable remediation strategy.

PROPOSED REUSE

Construction of a 23,455 square foot neighborhood-oriented, multi-tenant retail center to be named Bay View Commons. The Redeveloper is targeting tenants who will provide a mix of neighborhood services. The Redeveloper has received considerable interest from both high-end national and local tenants. After completion, the project is estimated to have a total value of about \$3,000,000.

OPTION TERMS AND CONDITIONS

The purchase price is \$375,000, which is about \$5.00 per square foot of land area. The purchase price will be paid in full at the time of closing. RACM will deduct a 15% development fee from the gross sale proceeds.

A \$4,000 Option Fee and a \$10,000 Performance Deposit are required. The Option Fee shall be credited

toward the purchase price if the Redeveloper closes within the initial option period. 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 base option term is six months to allow the Redeveloper to obtain final building plans and financing. 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 November 21, 2002, and in the Option to Purchase submitted by Redeveloper.

PAST ACTIONS

The Redevelopment Authority held a public hearing on November 21, 2002, after which it conditionally accepted the Option to Purchase of the Redeveloper.

FUTURE ACTIONS

Upon approval of this Report by your Honorable Body, and receipt of requisite approvals by regulatory bodies, the Redevelopment Authority 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,

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE**

Gregory J. Shelko
Assistant Executive Director-Secretary

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