

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

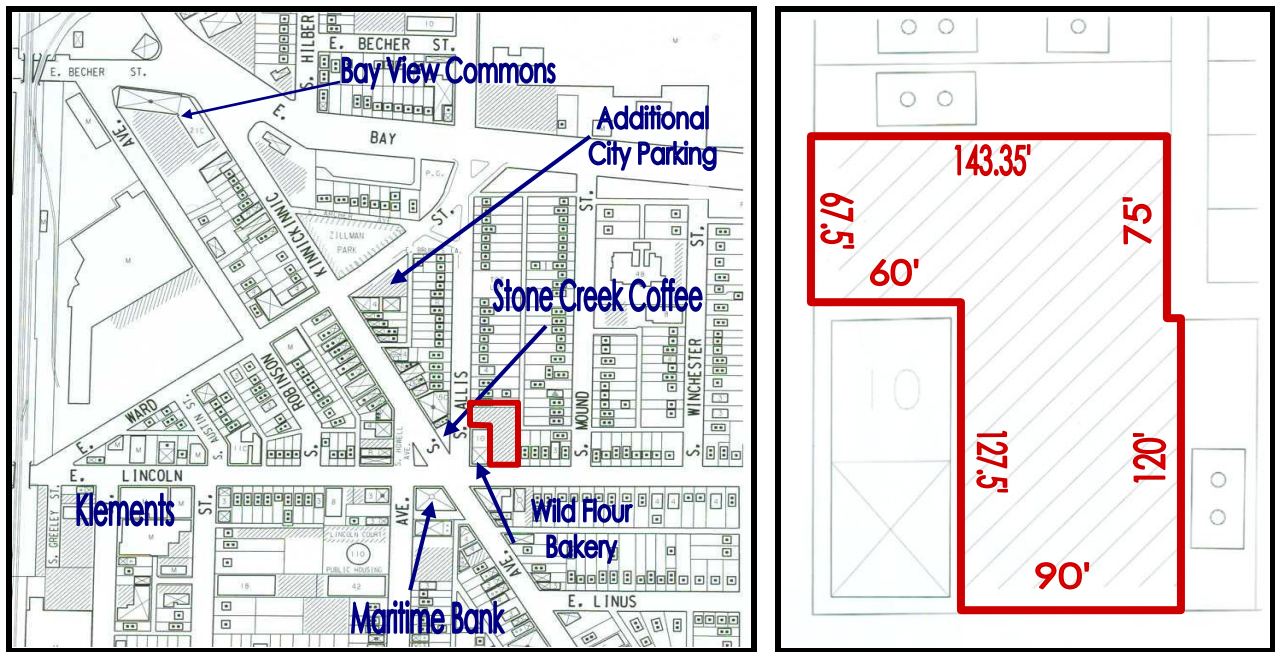
DATE
December 12, 2006

RESPONSIBLE STAFF
Matt Haessly, Real Estate (286-5736)

PARCEL ADDRESS AND DESCRIPTION

2254 South Allis Street: City-owned surface parking lot containing approximately 21,000 square feet. The lot has a slightly irregular "L" shape with 67 feet along Allis Street and 90 feet on East Lincoln Avenue. The property currently provides 52 parking spaces of which 29 are metered, 16 are leased to adjacent apartment owners and 5 are by permit. DCD recently learned that the site may have once been part of a cemetery and is conducting an archeological investigation as required by State Statute.

A Request for Proposal was authorized by the Common Council in November, 2005. The site was advertised and two proposals were received and reviewed by DCD.



BUYER

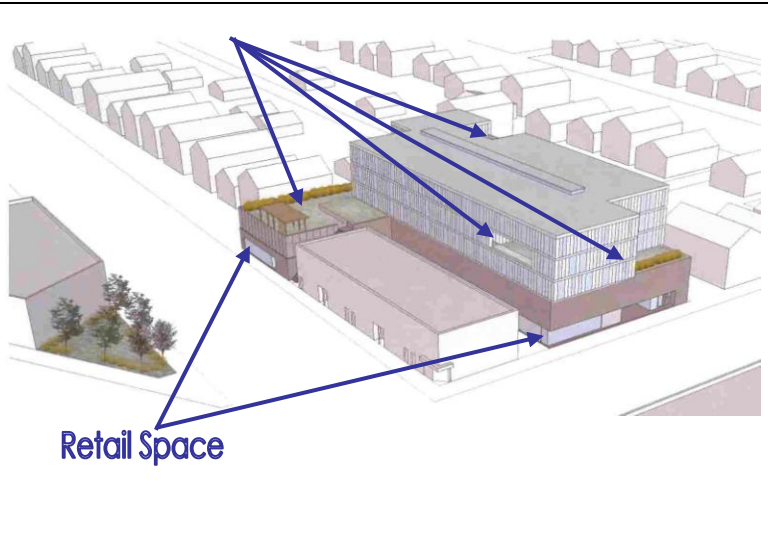
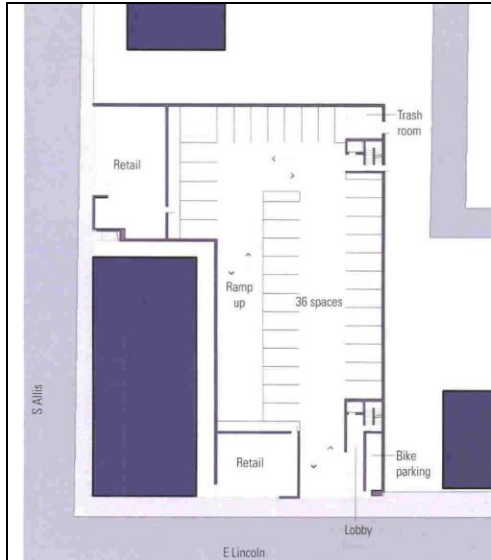
Vetter Denk Properties, LLC, a seven-year old development company managed by Kelly Denk and John Vetter, partners in Vetter Denk Architects, Inc. Vetter Denk has designed and developed over \$40 million of residential, commercial and retail projects including Riverhomes, Rivercourt, Milwaukee Rowing Club, Park Terrace Row Houses, Park Terrace Bluff Homes and its new office at 161 South First Street.

PROPOSED DEVELOPMENT

Construction of the Mod Lofts, a five-story, 53-unit loft-style apartment building. Three levels of residential use will be situated above two parking levels with 90 spaces, 52 of which will be replacement public parking. The building also will have 3,500 SF of retail space that will be divided between Allis Street - for "social" activity - and Lincoln Street - service-oriented space. The building also will incorporate three terraces to allow residents outdoor space as well as break down the scale of the building.

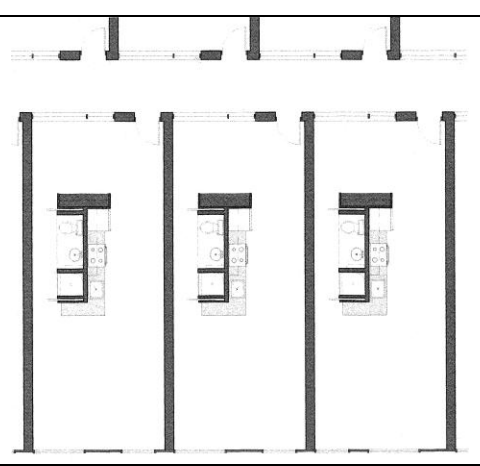
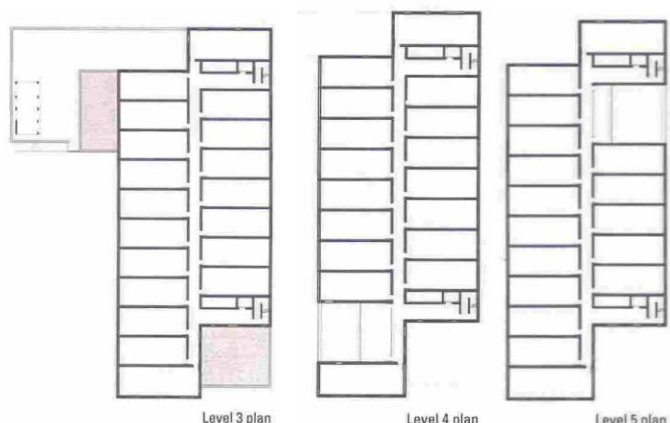
Preliminary Ground Floor Plan	
-------------------------------	--

*Green Terraces/
Open Areas*



Construction will involve pre-fabricated modules approximately 16 feet wide by 38 feet long with floor-to-ceiling windows.

The building is striving to fill a void in Milwaukee's housing market by providing contemporary and affordable rental housing for existing and new residents. Most modules will be a single unit with two small spaces - suitable for live, work or sleep - that are separated by the bath and kitchen unit.



The total project costs are expected to be \$7.2 million. The Buyer is targeting 21% of the development costs to Emerging Business Enterprises (EBE).

Alderman Zielinski and the Buyer presented the proposal at a neighborhood meeting in September. The Buyer also obtained a dimensional variance by the Board of Zoning Appeals in November. Replacement parking during construction is available at the City-owned parking lot at 371 East Ward Street.

OFFER TERMS AND CONDITIONS

The purchase price is \$150,000, which is approximately \$7.14 per square foot of land area. A

\$3,750 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 \$500.00 renewal fee for each request. A no-fee extension and option fee credit may be granted by the Commissioner if delays are due to receiving permission from the State of Wisconsin to build on a cemetery and/or environmental findings

FUTURE ACTIONS

An Agreement for Sale with reversion of title provisions will be executed prior to closing. A \$10,000 performance Deposit also must be submitted and will be held until satisfactory completion of the project. DCD approval of final construction plans and financing are closing contingencies. A public access easement to the City of Milwaukee for the public parking spaces also may be executed at closing. Sale proceeds, less sale expenses and a 25% development fee to the Redevelopment Authority, shall be returned to the DPW Parking Fund.