

**20TH & WALNUT REDEVELOPMENT
BLIGHT DESIGNATION SUMMARY & ACQUISITION 2005-2101 WEST WALNUT STREET
BOUNDARY AND PROJECT PLAN TO CREATE TAX INCREMENTAL DISTRICT (20TH & WALNUT)
COOPERATION AGREEMENT WITH THE CITY TO IMPLEMENT THE PROJECT PLAN**

DATE

June 16, 2005

RESPONSIBLE STAFF

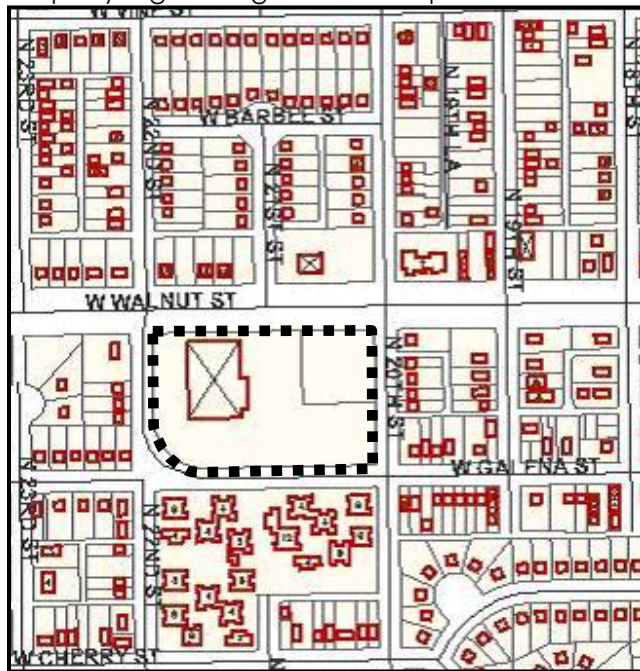
Maria Prioletta, Development Team (286-5903)

PROPOSED ACTIVITIES

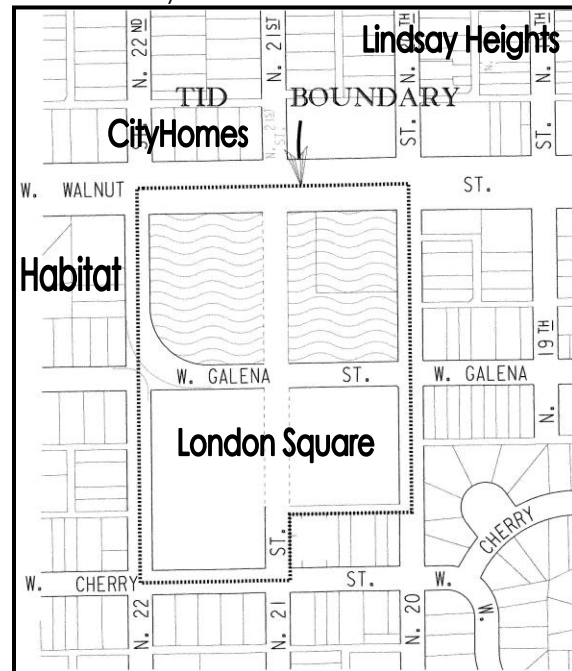
The Redevelopment Authority would declare the properties at 2005 and 2101 West Walnut Street blighted for acquisition. On March 17, 2005, the Authority authorized RACM staff to enter into negotiations with the 20th & Walnut Investment Group for the possible purchase. This action will also confirm the terms of the Offer to Purchase.

The Authority would also approve the Boundary and Project Plan for creation of a Tax Incremental District to fund acquisition and redevelopment. The Project Plan proposes residential redevelopment that is consistent with the Fond du Lac and North Neighborhood Plan. TID funds would be used for site acquisition, public improvements and site preparation. Finally, a Cooperation Agreement with the City of Milwaukee is required to implement the Project Plan.

Property Blight Designation & Acquisition



TID Boundary



RELATED ACTIVITIES

The site is situated at a key intersection between several redevelopment efforts: CityHomes directly across Walnut Street, Lindsay Heights housing initiative to the northeast, Habitat for Humanity to the west and London Square Apartments, a renovation currently in process by the Gorman Company, to the south. This site was identified as a "catalytic project" in the Fond du Lac and North Neighborhood Plan that was recently adopted by the City.

BLIGHT DESIGNATION SUMMARY

Property: 2005 and 2101 West Walnut

A 32,500 SF grocery store situated on 5.05 acres of land. The store was built in 1976 as part of the old Midtown Conservation Redevelopment Project. The store closed in 2001 and the building has remained vacant since it closed. The property has been listed for sale.



Owner: 20th & Walnut Investment Group. The property is owned by a group of retired physicians. Earl Bradfield with Bradfield Commercial Real Estate Advisors represented the sellers.

Assessment: \$ 127,400 Land
\$ 812,300 Improvements
\$ 939,700 Total

Condition: Building has been minimally maintained, but is in fair condition. All fixtures and equipment has been removed. Site improvements are minimal.

Code Status: No outstanding violations. Past complaints or orders regarding graffiti or illegal dumping have been abated by the property owner.

Tax Status: 2004 taxes are paid in full.

Blight Finding: The property can be considered blighted for the following reasons:

- The present ownership, condition and use substantially impairs or arrests the sound growth and development of the community.
- The lot layout and use is faulty and obsolete in relation to the surrounding neighborhood
- The site and building improvements have substantially deteriorated

OFFER TERMS

The purchase price is \$950,000. The price is reasonable based on the assessed value and the value of \$800,000 determined by a limited scope appraisal (no interior inspection) obtained by the Authority in 2002. The offer contingencies included Phase II environmental testing, title and survey review and creation of a tax incremental district.

FUTURE ACTIONS

Upon approval by the Authority and the Common Council, the Authority will complete its due diligence investigation. If environmental, geotechnical, survey and title conditions are satisfactory, or determined to be manageable at reasonable cost, the City Attorney will be directed to close the sale upon creation of the tax incremental district and execution of the Cooperation Agreement. The target closing date is July 29th.

After closing, the building will be demolished. A Request for Proposals will then be prepared for the sale and development for residential use consistent with the Fond du Lac and North neighborhood Plan. One key element of the RFP will require that 21st Street be reconnected to the surrounding neighborhood. The selected proposal will be presented to the Authority and Council for formal approval.