

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

DATE

June 19, 2003

REDEVELOPMENT PROJECT AREA

West Hadley Street - North 3rd Street: A redevelopment district adopted by the Common Council on May 22, 1979 and recorded at the Register of Deeds on June 19, 1979. The redevelopment district was created to eliminate blight by removing vacant and structurally substandard buildings.

REDEVELOPER

Milwaukee Furniture Company has operated in Milwaukee for 25 years. The company provides retail furniture sales to Milwaukee residences as well as the American Red Cross, Health Care for the Homeless and Inner Concepts. The company is currently leasing space at 2670 North Buffum Street. The company owners, Jill and Lance Ohlsson, are proposing to expand their business with a new building at 2767-79 North Dr. Martin Luther King Jr. Drive. The Ohlsson's would like to expand their business by attracting new shoppers from the downtown and university markets while maintaining their overall service to the Central City. Milwaukee Furniture currently has five full-time employees and plans to add two to four additional employees as the new store grows.

PARCEL ADDRESS & DESCRIPTION

2767-79 North Dr. Martin Luther King Jr. Drive: A 14,171 square-foot vacant lot with approximately 98 feet of frontage along North Dr. Martin Luther King Jr. Drive. The property was acquired to facilitate the goals of the West Hadley Street – North 3rd Street Redevelopment District.

PROPOSED REUSE

The Redeveloper is proposing to construct a new 16,000 square-foot, two-story, retail furniture and warehouse facility. The loading docks and customer parking will be located in the rear of the building. The estimated budget for this project is \$800,000.

OPTION TERMS AND CONDITIONS

The purchase price is \$10,000. Pursuant to the Authority's fee schedule, a \$500 Option Fee and a \$1,000 Performance Deposit are required. 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 option provides a base term of six months to allow the Redeveloper to prepare construction drawings and obtain financing. While construction is anticipated to start this summer, the option allows for two three-month extensions upon submission of a \$250 renewal fee and a satisfactory progress report on Redeveloper's efforts to obtain final plans and financing. The Authority shall provide the Redeveloper with a Phase I environmental assessment. In 1997-98, the City conducted a Phase I and subsequent Phase II environmental investigation at 2753-79 North Dr. Martin Luther King Jr. Drive. The Phase II investigation included collecting soil and groundwater samples from 2753-79 North Dr. Martin Luther King Jr. Drive. Based on the results of the Phase II investigation, no further investigation activities were recommended at 2753-79 North Dr. Martin Luther King Jr. Drive. Finally, in 2003, a magnetometer survey was performed at 2767-79 North Dr. Martin Luther King Jr. Drive and based on the results of the investigation, no underground

storage tanks were encountered.

In addition to the aforesaid terms, the sale will be further conditioned as required in the Redevelopment Authority resolution adopted on June 19, 2003, and in the Option to Purchase submitted by Redeveloper.

PAST ACTIONS

The Redevelopment Authority held a public hearing on June 19, 2003, after which it conditionally accepted the Option to Purchase of the named 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

GJS:mfh