

**LRB - FISCAL SECTION ANALYSIS**

**NOVEMBER 16, 2004**

**ITEM 4, FILE 040964**

**ZONING NEIGHBORHOODS & DEVELOPMENT COMMITTEE EMMA J. STAMPS**

File #040964 is a resolution authorizing the transfer and expenditure of \$200,000 from the Development fund to facilitate new commercial development in the North 27<sup>th</sup> Street – West Fond du Lac Avenue Redevelopment Project Area in the 7<sup>th</sup> Aldermanic district (RACM/DCD)

**Background**

In November 2002, the Common Council approved a blight summary and land disposition report for the properties in the vicinity of North 27th Street and West Fond du Lac Avenue for sale to CFSC Properties, LLC (Community Financial Service Center Corp) for commercial development in the 7th Aldermanic District (Resolution 021211).

Community Financial operates 18 check-cashing facilities in the metropolitan area including a store at 2623 West Center Street that has been in business since 1983.

In March 2004, the Common Council adopted a resolution authorizing a contract between the City of Milwaukee and CFSC Properties, LLC in which, under WI Statutes, the City assigned its rights, to an in rem foreclosure judgment on the brownfield property in exchange for the private developer agreeing to compensate the City, remediate the site and redevelop the property according to the terms of the contract.

The City Attorney drafted a "75.106 In Rem Assignment Contract" ("75.106 Contract"), a copy of which is attached to Resolution 030074 as Exhibit A, governing the specifics of the transaction.

CFSC agreed to enter into contract with the City and accept assignment of the City's in rem foreclosure rights in exchange for:

1. Compensating the City \$8,800 for the parcel,
2. Paying current year taxes once levied,
3. Remediating the parcel if required by the Wisconsin Department of Natural Resources,
4. Assembling the parcel with the Development Site, and
5. Constructing a multi-tenant retail building

**Discussion**

There are low-level contaminants on the sites from removing the foundations and debris left after razing the properties.

The developer seeks a \$200,000 contribution from the city to clean up the sites.

**Fiscal Impact**

File 040964 authorized the transfer and expenditure of \$200,000 from the Development Fund for the new commercial development.

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