

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

**DATE**

February 6, 2001

**DEVELOPER**

Lafayette Hill, LLC, a new limited liability corporation created by Robert Zellmer. Mr. Zellmer owns and operates Action Property Management, which owns a number of investment properties on Milwaukee's east side, and Action Heating and Cooling.

**PARCEL ADDRESS & DESCRIPTION**

1812-18 East Lafayette Place: A surplus City parking lot that contains approximately 11,770 square feet of land area. The property is on the north side of East Lafayette Place between North Prospect and North Farwell Avenues. Mr. Zellmer owns several adjacent properties – 2026, 2032, 2034 and 2038 North Farwell – that he plans to incorporate in total or in part into the development.

**PROPOSED REUSE**

Development of a \$13-14 million mixed-use project. The building will be primarily residential with 74 units in the main building section facing Lafayette and six units in the section facing Farwell and Windsor. The units will be luxury rental units with two-bedrooms and two-baths in each apartment. A parking garage will be located between the two residential section. In addition, the building will provide two ground-floor retail spaces at the northwest corner with approximately 1,500 square feet each. In addition to tenant parking, the developer will provide 25 parking spaces for public use to be guaranteed by a deed restriction and/or easement.

**OPTION TERMS AND CONDITIONS**

The purchase price is \$72,000, which was the asking price for the property. The sale price, after adjustment for reasonable out-of-pocket expenses, may be adjusted based on documented expenses for replacing the public parking. An Option fee of \$7,380, or 5% of the purchase price, will be charged and this fee will be credited toward the purchase price if Buyer closes within six months of approval by the Common Council. The buyer is also required to submit a Performance Deposit in the amount of \$7,200, or 10% of the purchase price, which will be held until satisfactory completion of the project

The base option term is six months to enable the buyer to obtain final building plans and financing for approval by the Department of City Development. The Option to Purchase may be extended by the Commissioner of DCD for up to two additional three-month periods upon submission of a written progress report and a \$250.00 renewal fee.

The purchase price will be paid in full at the time of closing. 15% of the sales price will be paid to RACM as a development fee. The sale will be further conditioned upon satisfactory review AND APPROVAL OF SITE AND BUILDING PLANS BY DCD STAFF AND UPON SUBMITTAL OF FIRM FINANCING.

**PAST ACTIONS**

The Common Council approved a marketing plan for underutilized parking lots in the 3rd Aldermanic District on May 5, 1998, by passage of File No. 972002. The property was advertised for sale and several proposals were received prior to the established deadline. The proposals were reviewed by staff and Mr. Zellmer's proposal was recommended for approval.

**FUTURE ACTIONS**

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

Gregory J. Shelko  
Manager, Real Estate and  
Development Services

EMM:bmm