

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

DATE

November 21, 2002

REDEVELOPMENT PROJECT AREA

North 27th Street - West Fond du Lac Avenue (for the area southwest of the alley). This project was created in 1981 to eliminate blight and promote development at the 27th/Center/Fond du Lac intersection. The project was expanded in 1987 to facilitate development of the 27th Street Library. The area northeast of the alley is generally within the boundaries of the North 27th - West Center Street Project Area; however, a formal redevelopment plan was never prepared for this area. The lot at 2539-41 West Monroe Street is outside the project boundaries.

BLIGHT DESIGNATION

This action would also declare the City-owned vacant lot at 2539-41 West Monroe Street surplus to municipal needs and blighted for acquisition by the Redevelopment Authority. The City acquired the lot in 1995 through tax foreclosure and demolished the house in 1996. The lot contains 3,600 square feet and is marginally buildable. The lot, given its proximity to the old RACM parking lot at 2551 West Monroe Street, would have greater value if assembled for a larger development. The blight designation would allow the property to be transferred to RACM for no monetary consideration.

REDEVELOPER

CFSC Properties, LLC, a limited liability company by Community Financial Service Center Corp. to own the real estate for its check cashing operations. The principals of the company are Robert Wellenstein, Richard Barr and Thomas Musial. 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.

PARCEL ADDRESS & DESCRIPTION

A development site containing about 55,000 square feet of land area that will be assembled as follows:

RACM:	2636-42 and 2650 West Fond du Lac Avenue 2686-90 North 27 th Street 2551 West Monroe Street
City:	2539-41 West Monroe Street
Redeveloper :	2652-54 and 2674-80 West Fond du Lac Avenue 2619-23 West Center Street
Tax Delinquent:	2605-15 West Center Street This site may be acquired by the Redeveloper through the Section 75.106 program that allows a City to assign its foreclosure rights to a party that will agree to remediate the site.

In addition, the Redeveloper will apply to the City to vacate and reroute the alley at its sole expense.

PROPOSED REUSE

Construction of a multi-tenant retail building on each side of the Van Ells Building, an historically significant structure at 2652-54 West Fond du Lac. The completed center will contain approximately 20,000 square feet of gross area and will provide space for three to seven retail stores and upwards of 40 new jobs, depending on market demand. The project will be developed in two phases: First, the Van Ells Building will be rehabilitated and the building along Fond du Lac Avenue will be constructed. Community Financial will relocate its existing Center Street facility to this section. The Center Street building will then be demolished and the second building will be constructed. Total project costs are approximately \$2.0 million.

OPTION TERMS AND CONDITIONS

The purchase price for the RACM/City land is \$100,000, or approximately \$2.50 per square foot of land area. RACM will deduct a 20% development fee from the gross sale proceeds.

A \$3,000 Option Fee and a \$10,000 Performance Deposit are required. The Option Fee shall be credited toward purchase price if Redeveloper closes within the initial option period or the period as extended due to environmental considerations. 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 base option term is six months to allow the Authority to conduct the recommended Phase II environmental investigation and for Redeveloper to obtain final building plans and financing. If the environmental investigation delays the project, the Executive Director may extend the option for three months without charge or penalty. If Redeveloper requests additional time to obtain financing or complete building plans, the option may be extended by the Executive Director for two additional three-month periods upon submission of a satisfactory written progress report and a \$500 renewal fee for each request.

In addition to the aforesaid terms, the sale will be further conditioned as required in the Redevelopment Authority resolution adopted on November 21, 2002, and in the Option to Purchase submitted by Redeveloper.

PAST ACTIONS

The Redevelopment Authority held a public hearing on November 21, 2002, after which it conditionally approved the blight designation and accepted the Option to Purchase of the named Redeveloper.

FUTURE ACTIONS

After completion of the environmental testing on the RACM land and the tax delinquent property, a 75.106 contract may be presented to the Authority and the Common Council for approval. The Redeveloper shall also make a separate request to the Council for the alley vacation.

Upon approval of this Report by your Honorable Body, and receipt of requisite approvals by regulatory bodies, the Redevelopment Authority will proceed with environmental testing. An Agreement for Sale will be negotiated and the sale closed 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

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