

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

DATE June 21, 2007

RESPONSIBLE STAFF

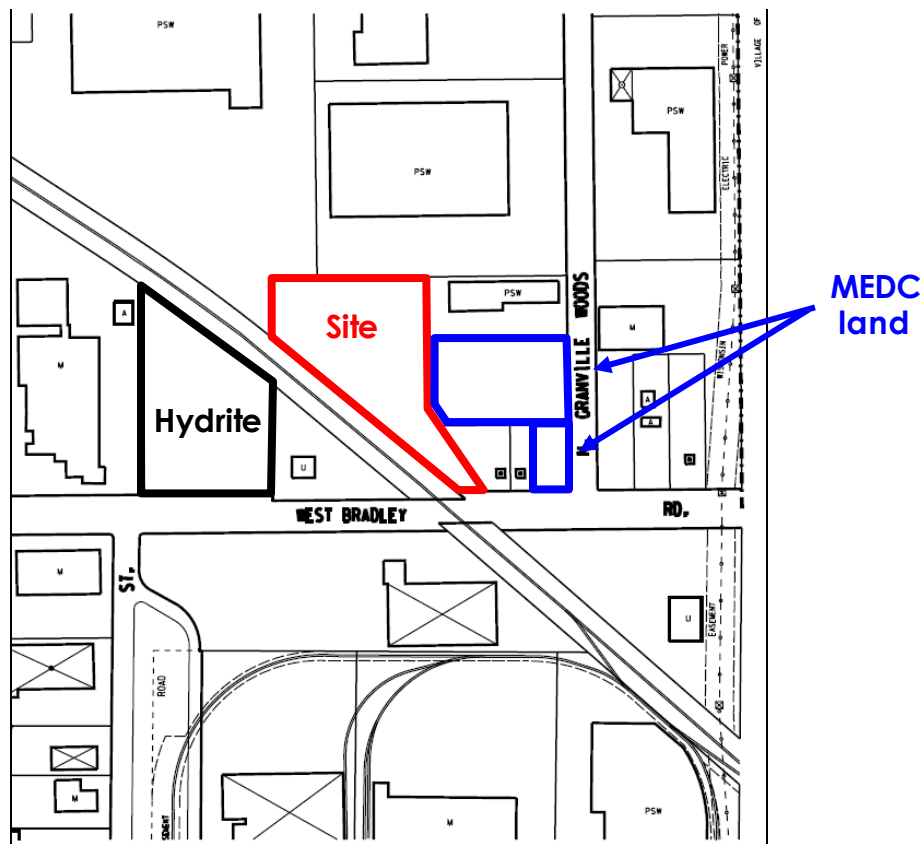
Dave Misky (286-8682), Land Development Manager

REDEVELOPMENT PROJECT AREA

Land Bank "C" Redevelopment Area, adopted in 1985 and amended in 1989.

PARCEL ADDRESS & DESCRIPTION

7132 West Bradley Road: A 3.87-acre vacant lot that is irregularly-shaped and at grade. The exact area and configuration will be determined during preparation of a Certified Survey Map. The property has some environmental impacts that require management. The Redevelopment Authority has obtained funding for \$200,000 from the U.S. Environmental Protection Agency to assist with soil management and disposal. The City of Milwaukee foreclosed on the property in July 2004 and the Redevelopment Authority acquired it from the City in February 2007.



REDEVELOPER

Hydrite Chemical Company, which has its corporate headquarters in Brookfield, WI, has almost 80 years of sustainable growth in the chemical industry. John Honkamp is President, Paul Honkamp is Executive Vice President, and Michael Honkamp is Vice President of Hydrite Chemical Company, which manufactures chemical products. It currently employs over 500 people throughout the Midwest.

Hydrite Chemical Company currently has 114 full-time employees and 7 part-time employees in Milwaukee. Average salary is \$48,000 per year for manufacturing, professional, clerical and transportation. Benefits include medical, dental, life and short and long-term disability

insurances, paid vacations and holidays and 401(k).

PROJECT DESCRIPTION

The plan is for Hydrite Chemical Company to expand its existing 100,000 square-foot facility at 7300 West Bradley Road, which is used for production and warehousing. The expansion of 50,000 square-feet to its current building will consume the remainder of the existing property for production. The adjacent property at 7132 West Bradley Road would eventually be used for construction of a warehouse and distribution center that would be fully integrated into the production at the current facility. The acquisition of 7132 West Bradley Road will coincide with the acquisition of two Milwaukee Economic Development Corporation ("MEDC") parcels, 6920 West Bradley Road and 8045 North Granville Woods. Once the property is transferred to Hydrite Chemical Company, the vacant property will be properly maintained until the redevelopment occurs. This may include any requirements for mowing and fencing. Estimated project cost is \$5 million and buyer will be required to enter into a Best Efforts EBE Agreement. Hydrite Chemical Company plans to begin expansion of the current facility in 2008.

OFFER TERMS AND CONDITIONS

The purchase price shall be \$60,000 per acre, which is indicative of market value for industrial sites in established areas. A credit may be granted at closing based on environmental and/or demonstrated economic infeasibility. The offer term will be for six months to enable the redeveloper to complete its environmental and geotechnical investigations, secure financing and finalize building plans. The offer period may be extended by the Executive Director for two, three-month extension periods upon submission of a satisfactory written progress report and a \$250 renewal fee for each request. A \$10,000 Fee is required to be submitted with the Offer to Purchase and shall be credited toward the purchase price at closing. In addition, a \$10,000 Performance Deposit will be required at closing to guarantee satisfactory completion of the improvements. Finally, the Agreement will contain other typical Redevelopment Authority remedies including a reacquisition clause.

PAST ACTIONS

The Redevelopment Authority held a public hearing on June 21, 2007, after which it conditionally accepted the Offer to Purchase of the named Redeveloper.

FUTURE ACTIONS

Upon approval by the Common Council, the Redeveloper will obtain firm financing and approval of final plans prior to closing. An Agreement for Sale will be drafted in accordance with the terms and conditions expressed herein and contained in the resolution adopted by the Authority.