

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

DATE

June 21, 2001

PROJECT

North Water Street - East National Avenue also known as the Florida Yards project. The major development in this project area has been Usinger's shipping and distribution facility at 303 East Florida Street.

REDEVELOPER

V. Marchese, Inc., a wholesale food vendor that sells and distributes fresh fruits and vegetables to area grocery stores and restaurants. The company, formed in 1934, is currently located at 613 South 2nd Street and employs 62 full-time employees. The company hopes to expand its business with this site acquisition and increase employment to 80. The principal officers -- Sal Marchese (President), Jack Marchese (Vice President) and Jack Wertz (Secretary-Treasurer) -- will form MWM, LLC, a limited liability company, to take title to the property and construct the improvements.

PARCEL ADDRESS & DESCRIPTION

300 East National Avenue: A 5.98-acre former rail yard on the north side of National Avenue between the Union Pacific and Chicago & North Western rail lines. Given the site's past use, extensive environmental tests have been conducted on the property by the Authority. The site contains some environmental contamination, but the soils will be managed by the property development. In addition, the site presents several development challenges including poor subsoil conditions, a topography that is significantly above the grade of National Avenue, a rail spur that crosses the property, a storm water detention pond at the northeast corner and water and sewer easements along the north and east property lines.

PROPOSED REUSE

Development of V. Marchese's corporate office and warehouse facility. The building will have a gross area of approximately 36,000 square feet with bays for 10 trucks. Construction costs are expected to be approximately \$3.8 million.

OPTION TERMS AND CONDITIONS

The purchase price is \$239,200, or about \$40,000 per acre. A \$4,000 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. 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 Redeveloper to obtain final building plans and financing. The Executive Director may extend the option for two additional three-month periods upon submission of a satisfactory written progress report and a \$250 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 June 21, 2001, and in the Option to Purchase submitted by Redeveloper.

PAST ACTIONS

The Redevelopment Authority held a public hearing on June 21, 2001, 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

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