

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

DATE

September 23, 2003

DEVELOPER

New Land Enterprises, LLP. Boris Gokhman, the president, is an experienced developer of high-quality, residential projects. Recent projects include the Crescent Condominiums in the Beerline "B" Redevelopment Area, Highbridge and Riverbridge Condominiums along Water and Kane Streets, the Abbotsford Condominiums on Farwell, the Jefferson Block Condominiums and Lyon Court at the northwest corner of Lyon and Van Buren Streets.

PARCEL ADDRESS & DESCRIPTION

1801 North Farwell Avenue: A surplus City parking lot that contains approximately 24,120 square feet of land area. The property is at the northwest corner of North Farwell Avenue and East Royall Place.

PROPOSED REUSE

Development of a \$22-23 million mixed-use project. The ten-story building will contain 10,000 square feet of retail space on Farwell Avenue, 110 condominiums and a parking garage. The units will be focused on the mid-price market with units available from \$170,000 to over \$300,000. Half the units will be one-bedroom and half two-bedroom. A parking garage will contain 215 enclosed spaces including 71 parking spaces for public use to be guaranteed by a deed restriction and/or easement.

OPTION TERMS AND CONDITIONS

The purchase price will be \$156,000, which was the asking price for the property. An Option fee of \$7,800, or 5% of the purchase price, will be charged. 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 \$15,600, 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. 20% 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 the proposal of New Land Enterprises 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

KRM:krm