

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

**DATE**

March 23, 2006

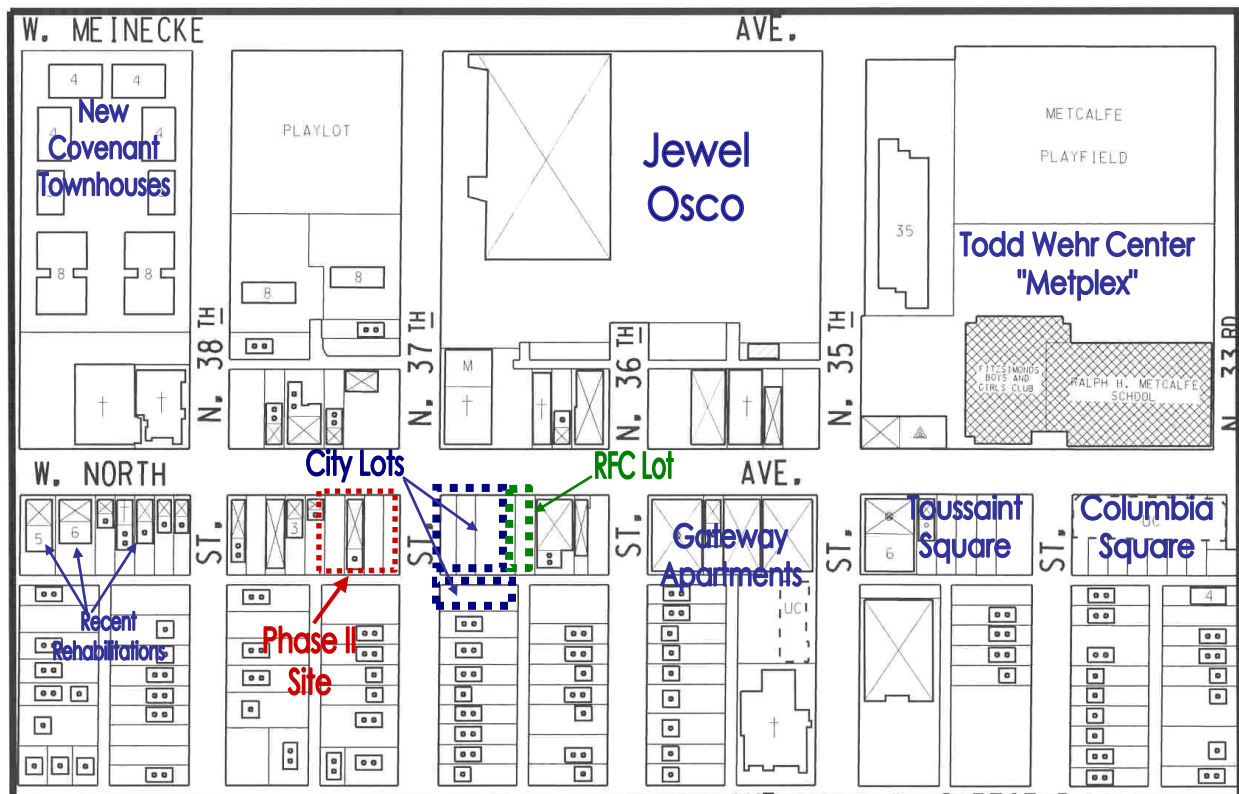
**RESPONSIBLE STAFF**

Una Van Duvall (Commissioner's Office – 286-5845) and Elaine Miller (Real Estate – 286-5732)

**PROPERTIES AND NEIGHBORHOOD**

3621-33 West North Avenue: Three adjacent vacant lots at the southeast corner of 37th and North that contain 17,280 square feet of land area. The lots will be assembled with the buyer's adjacent property at 3617 West North Avenue to create a 22,080 square-foot building site. 2236-38 North 37th Street: A 4,800 square-foot vacant lot that is immediately south of the alley from the primary site.

The site has a key location in the North Avenue Commercial Gateway District/Business Improvement District No. 28. This area has experienced significant recent redevelopment including North Avenue Community Development Corporation's (NACDC) Columbia Square Apartments, New Covenant Housing Corporation's Gateway Apartments and Townhouses, the Todd Wehr Center, the Jewel Osco and several small building renovations by NACDC. Construction also recently started on Toussaint Square, a mixed-use renovation and construction project.



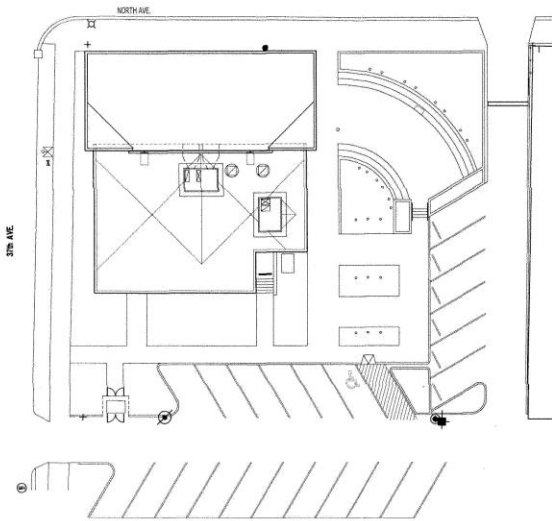
**BUYER AND DEVELOPMENT TEAM**

Renaissance Food Court, LLC, a new limited liability company formed by Damon Dorsey and Robert Plevin. Mr. Dorsey is President of NACDC, but will resign in October 2006 when construction on this project is complete. Mr. Plevin also worked for NACDC and the Business Improvement District. Both individuals have considerable development experience in the North Avenue Gateway District and other areas of Milwaukee. The architect is Engberg Anderson and the general contractor will be Hopwood Masonry.

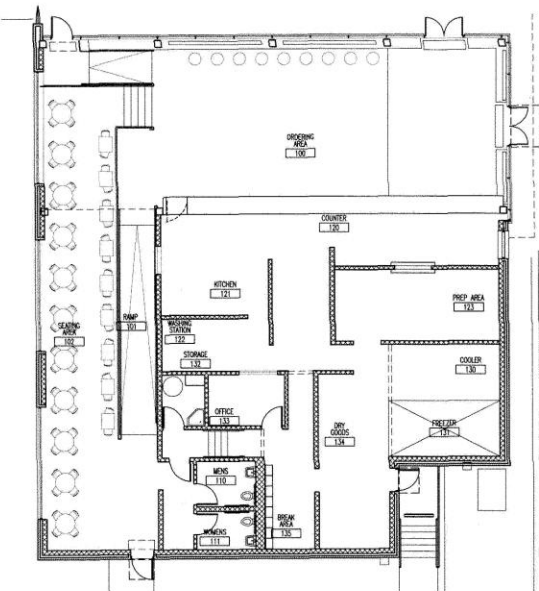
**PROPOSED DEVELOPMENT**

Development of Scoopz, a 4,900 square-foot custard restaurant. The restaurant will offer walk-up service with both indoor and outdoor seating areas. 12 parking spaces will be provided on the main parcel with an additional 10 spaces available on the parking lot across the alley. The project is expected to create 11 to 15 permanent full-time jobs and 19 to 25 seasonal jobs, most of which are expected to be filled by local youth. The buyer has obtained approval from the Board of Zoning Appeals for restaurant and parking use at the site.

Estimated development cost for the real estate is approximately \$975,000 and the total project cost, including fixtures and equipment, working capital and financing fees is about \$1.7 million. Approximately 50% of the budget is targeted toward Emerging Business Enterprises. Financing will involve a combination of equity from New Market Tax Credits and the buyer, loans from Legacy Bank and the Milwaukee Economic Development Corporation and possible grants from the Tax Incremental District and the City of Milwaukee's ("City") Retail Investment Fund.



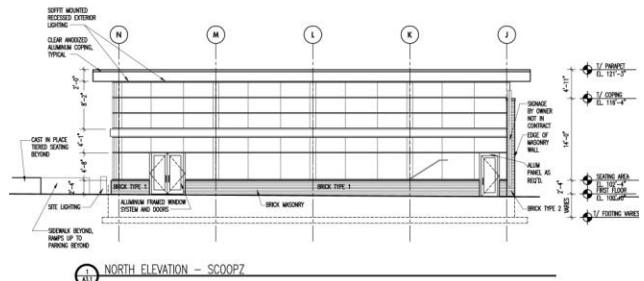
Site Plan



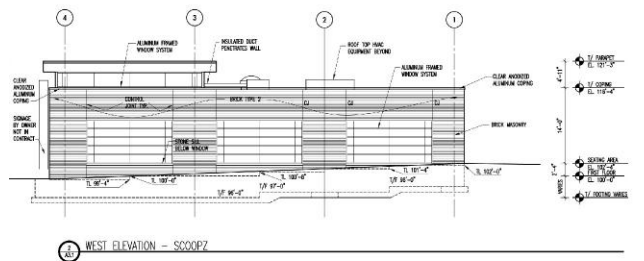
Preliminary Floor Plan



Rendering – Looking southwest along North Avenue



North Avenue Elevation



37th Street Elevation

The buyer anticipates a second phase of the project consisting of additional retail development at the Southwest corner of 37th and North. The project will proceed upon completion of the restaurant and additional property acquisitions.

**OPTION TERMS AND CONDITIONS**

The purchase price will be \$7,200 or \$1,800 per lot. Although the price is below the City's asking price, the development costs and project feasibility justify a price reduction. A \$500 Option Fee is required and shall be credited toward the purchase price if the sale closes within the base option period. A \$2,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project. While construction is expected to start in late spring, the base option period is six months to ensure adequate time to obtain final construction drawings and assemble all financing documents. One three-month extension is available for a \$500 renewal fee.

**FUTURE ACTIONS**

Upon Common Council approval, the buyer will obtain firm financing and City approval of final plans. An Agreement for Sale will be executed to ensure performance and will contain reversion of title provisions in the event of default. An EBE Agreement also will be negotiated with the City. The Commissioner of the Department of City Development or designee will execute all real estate documents. Sale proceeds, less sale expenses and a 25% fee to the Redevelopment Authority, will be returned to the Tax Deficit Fund.