

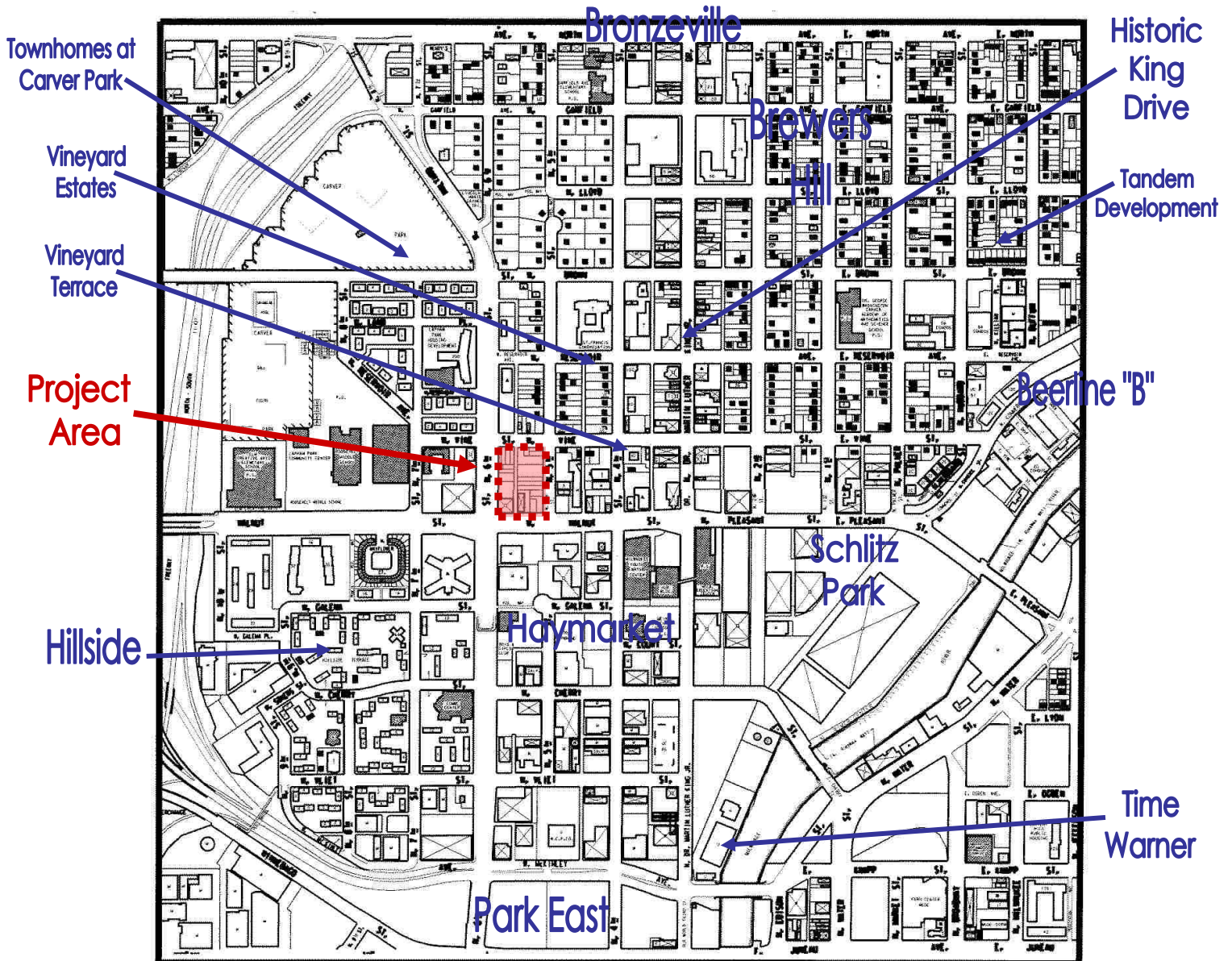
**LAND DISPOSITION REPORT
REDEVELOPMENT AUTHORITY
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE
January 19, 2006

RESPONSIBLE STAFF
Matt Haessly, Real Estate Section (414-286-5736)

REDEVELOPMENT PROJECT AREA

North 5th– West Vine Street: The Redevelopment Plan was adopted in 1993 to eliminate blight and promote commercial and industrial development to expand on the site's proximity to Haymarket Square Industrial Area and the downtown business district. The Authority acquired eight private properties using Block Grant funds. The parcel at the northeast corner of 6th & Walnut was sold by the Authority in 1995 to Time Warner. The Authority is expected to consider concurrently an amendment to the Redevelopment Plan to permit residential use in the project area.



BACKGROUND:

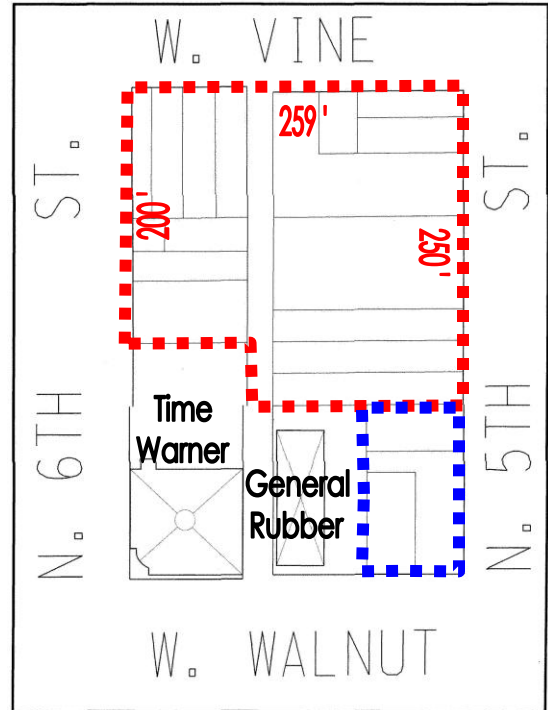
A Request for Proposals was advertised on the Authority's web site and three proposals were received before the deadline. Staff reviewed and recommended the following proposal.

PARCEL ADDRESSES & DESCRIPTION

The total development site will be 79,750, of which 70,000 SF is land owned by the Redevelopment Authority. The initial RFP site contained was 60,250 square feet of vacant land.

The developer has proposed including the private property owned by General Rubber Company at 514-18 West Walnut and the 9,750 SF of additional Authority-owned land at the corner of 5th & Walnut. **The buyer has provided a letter from Mr. Jack Kacsur, President of General Rubber, supporting their proposal.**

Environmental testing was performed on all of the Authority owned parcels. Based on the results of the Phase II investigation, no further environmental testing is warranted at this time.



Original RFP Boundary ■■■■■■
 Expanded Sale Area ■■■■■■

REDEVELOPER

Vineyard Business Park Development, LLC, a new limited liability company created by Ms. Carla Cross and Mr. Cory Nettles. Carla Cross is the owner of Cross Development Group, Inc. and Cross Management Services and a member of Vineyard Terrace, LLC that developed the four-unit condominium at 4th & Vine and Vineyard Estates, a ten-lot residential subdivision at 4th and 5th/Vine & Reservoir. Ms. Cross is also a member of the Milwaukee Economic Development Corporation board.

Cory Nettles is an attorney and partner in the Corporate Services and Government Relations group at Quarles & Brady LLP. Mr. Nettles recently served under Governor Jim Doyle as Secretary of the Department of Commerce.

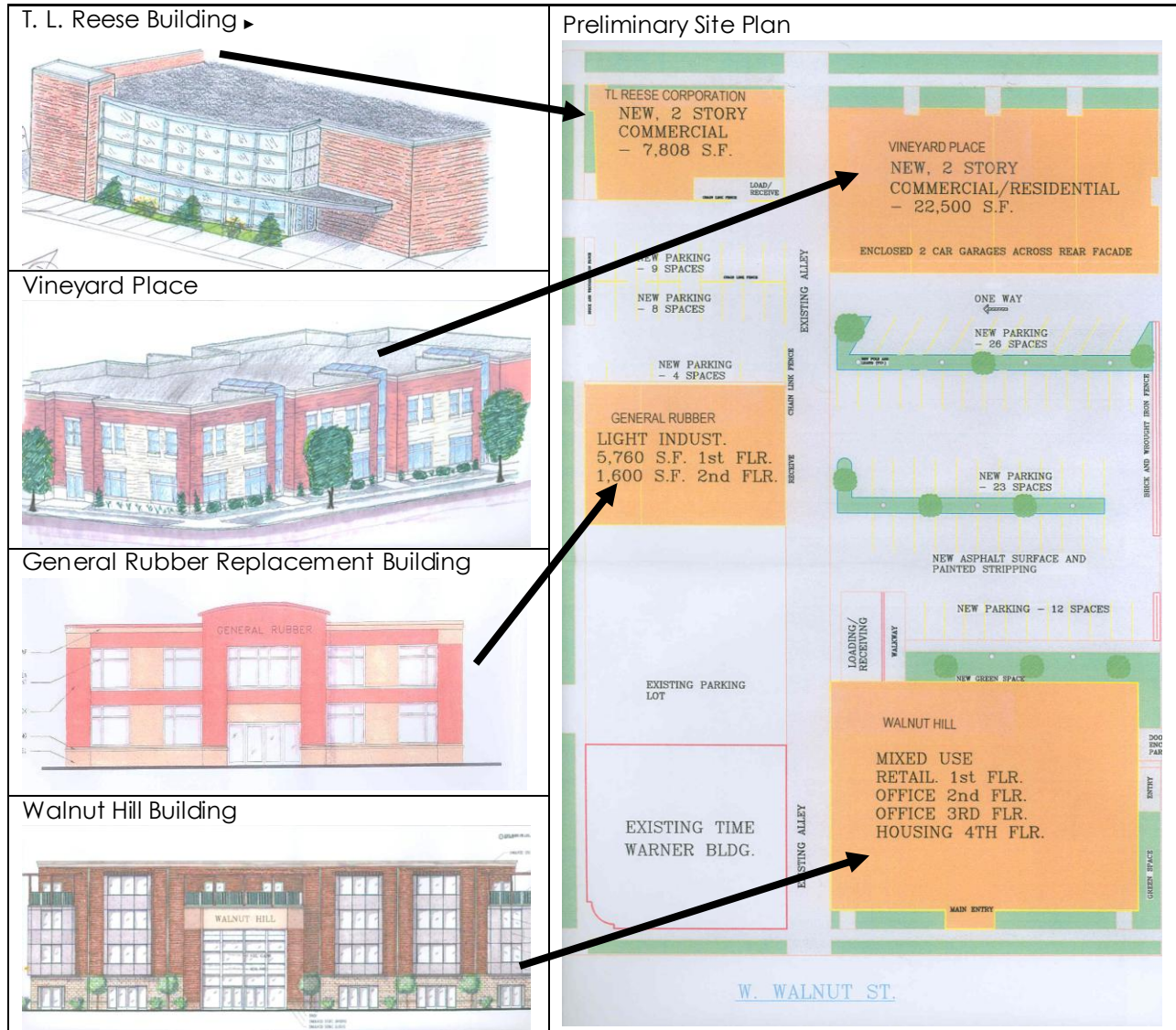
Other team members include Standing Stone Design, LLC – architect; Norris & Associates, Inc. – civil engineering and storm water management; Irgens Development Partners, LLC – office leasing and marketing agent; and Homesale Realty – condominium and live/work real estate agent.

PROJECT DESCRIPTION

Construction of four mixed-use buildings with a combined area of approximately 94,800 square feet. The buildings will be primarily used for office, retail and/or light industrial uses. One building will contain eight residential condominiums and another building will have four live-work units. Parking will be provided in a combination of surface lots and underground spaces. Total development costs are approximately \$11.0 million.

The developers are targeting 30% of the development costs to Emerging Business Enterprises (EBE). The project occupants will also be required to create eight new jobs for low-moderate income individuals since federal Community Development Block Grants funds were used to assemble and maintain the property and the purchase price is less than the asking price. Project financing will

be through a conventional financing with additional financing may be provided by Renewal Community Tax Incentives, New Market Tax Credits, and/or other available grants. The developer understands that they will be required to incorporate a storm water management plan into the development and they will make a strong effort to use green development practices during construction.



In the event the Redeveloper elects not to acquire the General Rubber property, the Executive Director may amend the option to exclude the parcels at the southeast portion of the property that were not subject to the original RFP (504-04A and 506-08 West Walnut Street and 1715-21 North 5th Street). Redeveloper will still be required to develop the 6th Street frontage with a building to replace the replacement General Rubber building.

OPTION TERMS AND CONDITIONS

The purchase price will be \$100,000. This asking price in the RFP of \$200,000 was reduced because the Redeveloper is spending additional funds to acquire the General Rubber building at 514-18 West Walnut and to build the company a replacement facility on North 6th Street. In the event that Redeveloper does not acquire the General Rubber property and the land area is reduced, the purchase price will be adjusted to the original price in the RFP of \$200,000, which is about \$3.30 per square foot.

A \$3,000 Option Fee will be required upon Common Council approval, but shall be credited toward the purchase price if the Redeveloper closes within the first six-month option period. A \$10,000 performance deposit will be submitted at closing and shall be held until satisfactory completion of the project.

The base option period is six months and will allow the Redeveloper time to obtain financing and final plans that are satisfactory to the Authority. The Executive Director may extend the option for up to two three-month periods upon submission of a \$500 non-refundable renewal fee and satisfactory progress report on efforts to obtain financing and final plans.

PAST ACTIONS

The Redevelopment Authority held a public hearing on January 19, 2006, after which it conditionally accepted the proposal of the named Redevelopers.

FUTURE ACTIONS

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