

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

DATE

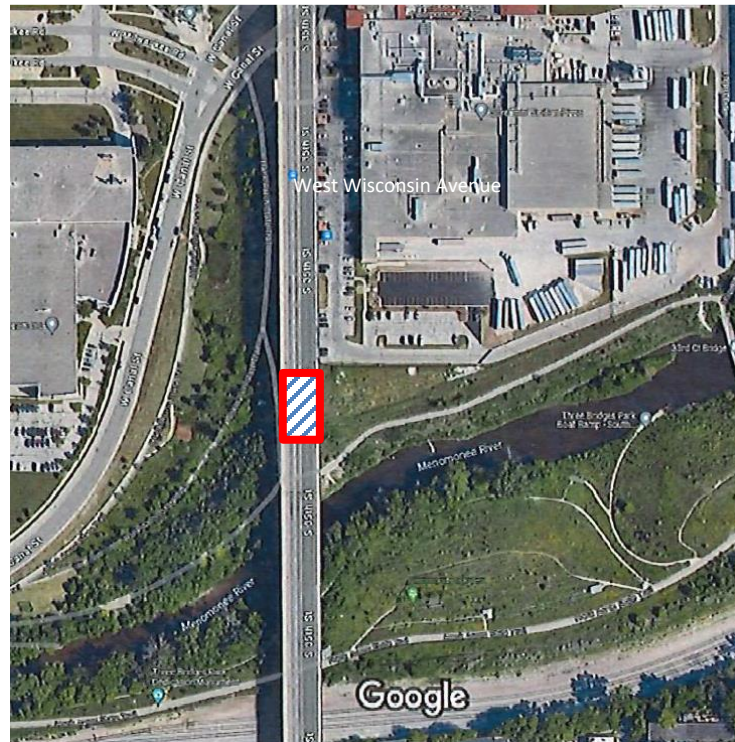
April 18, 2024- Redevelopment Authority of the City of Milwaukee
May 14, 2024 – Zoning Neighborhood Development

RESPONSIBLE STAFF

Dave Misky, Department of City Development, Real Estate

PROJECT DESCRIPTION

Amendment to the Parking, Access and Maintenance Agreement and Easement with Palermos Properties, LLC., or an affiliate (the "Tenant"), for expansion of their employee surface parking lot under the 35th Street viaduct, which is located on portions of the RACM-owned properties at 500 South 33rd Court, 400 South Layton Boulevard, and 500 South 35th Street.



PROPERTY ADDRESSES & DESCRIPTION

Palermos Properties, LLC. currently has an easement agreement for use of RACM-owned land at 500 South 33rd Court and 400 South Layton Boulevard and has requested amending the agreement to expand on these two parcels and on to the RACM-owned property at 500 South 35th Street.

PAST ACTIONS

In 2005 Palermo Villa, Inc. was the first business to locate in the award-winning Menomonee Valley Industrial Center and Community Park. Since their initial investment, the company completed a significant expansion to their manufacturing footprint in 2010 that included an expansion of their employee surface parking under the 35th Street viaduct. The parking lot was contemplated and included in the City's approval process from 2005 with the approved "Parking, Access and

Maintenance Agreement and Easement." The company has already received approval from the City's Board of Zoning Appeals to have the area operate as a principal use parking lot.

FUTURE ACTIONS

Palermos and the Redevelopment Authority of the City of Milwaukee will enter into the Easement Amendment for the company to expand their surface parking lot under the 35th Street Viaduct. A draft of the easement amendment is attached to this file.

Due Diligence Checklist

Address: RACM-owned land at 500 South 33rd Court, 400 South Layton Boulevard, and 500 South 35th Street.

Market value of the property.	RACM – owned property under the 35th Street viaduct that is not being used. Property has limited value.
Full description of the development project.	Expansion of employee surface parking lot to accommodate employee parking for the multi-million dollar manufacturing facility.
Complete site, operations and scope of work for development.	Please see the Land Disposition Report for details.
Developer's project history.	Manufacturing facility has grown from ~200 employees to over 1,000 employees with the majority of them located in the Menomonee Valley.
Capital structure of the project, including sources, terms and rights for all project funding.	N/A
Project cash flows for the lease term for leased property.	N/A
List and description of project risk factors.	Department of City Development staff determined that there is low risk in leasing the property to Palermos Properties, LLC due to structure of lease amendment and commitment of business.
Tax consequences of the project for the City.	Property remains owned by RACM and is not tax generating.