

LRB – RESEARCH AND ANALYSIS SECTION ANALYSIS

JUNE 13, 2006 AGENDA

ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

ITEM 1 FILE 060151

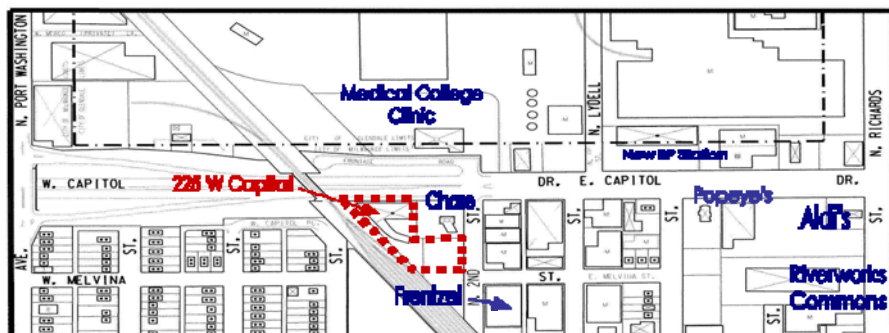
Emma J. Stamps

File No. 060151 is a resolution amending the Purchase and Sale Agreement with Williams Development Corporation and Phillip Katz-Project Development LLC for properties at 225 West Capitol Drive and the northern portion of 3901 North 2nd Street to allow an educational use, in the 6th Aldermanic District. (RACM)

Background

1. Pursuant to Wisconsin Statutes, and as a condition precedent to the sale, lease or transfer of land, RACM must submit to the Common Council a Land Disposition Report describing the terms and conditions of the proposed sale.
2. In April 2001, the Redevelopment Authority (RACM) acquired several properties in the Riverworks Industrial Center, including the warehouse at 225 West Capitol and a vacant manufacturing building located on the northern portion of 3901 North 2nd Street.
3. The properties are part of TID No. 24, Riverworks Industrial Center, and located in the Riverworks Business Improvement District.
4. Common Council File No. 050585, adopted on December 13, 2005 approved the assemblage, sale and use for these RACM properties to Phillip Katz-Project Development LLC and Williams Development Corporation (the only proposal received before the deadline) for a reduced asking price of \$200,000 less sale expenses and RACM's 20% administrative fee using TID No. 24 funding (Common Council File 050585 fiscal note), Historic Tax Credits, New Market Tax Credits, façade grants through the BID, and other developer financing sources.
5. The \$2.7 million project scope involves developing Capitol Crossing, a mix of about 27,000 sq. ft. of flexible office space for 2 primary tenants and 13,500 sq. ft. of speculative light industrial space. The anchor tenants will be an architecture practice and a construction management firm.
6. A diagram of the proposed development location and assemblage is shown below.

Diagram: Proposed project site



7. Closing has not yet taken place.

Discussion

1. To date, the developer has been unsuccessful in securing commercial and/or industrial tenants. Lad Lake School is interested in leasing the building for educational uses, a use that was not approved in File 050585 and requires Common Council approval.
2. File 060151 authorizes a Purchase and Sale Agreement amendment with Williams Development Corporation and Phillip Katz-Project Development LLC for properties at 225 West Capitol Drive and the northern portion of 3901 North 2nd Street to allow an educational use.
3. If approved, the Board of Zoning Appeals is scheduled to approve a use variance tomorrow, June 8, and the RACM board will vote to authorize a land use change to include an education use on June 15.

Fiscal Impact

There is no fiscal impact because the purchase price does not change.

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