

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

**DATE** December 14, 2006

**RESPONSIBLE STAFF**

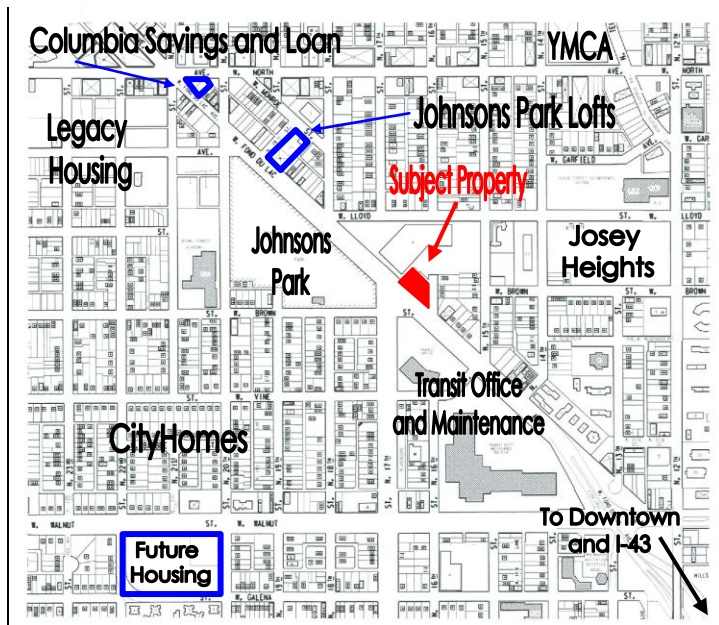
Dan Casanova (286-5921), Real Estate

**REDEVELOPMENT PROJECT AREA /PROPERTY BACKGROUND**

Blight Elimination.

1620, 1626 and 1634 West Fond du Lac Avenue, a 22,541 SF property improved with a 6,485 SF building formerly used by the Department of Public Works as its Vector Control building. The building and adjacent lot to the north were declared blighted in 2004 for acquisition and marketing by the Redevelopment Authority according to established criteria. The adjacent lot to the south was acquired by the Redevelopment Authority through blight elimination activity in 1989. The properties are in the Fond du Lac and North Neighborhood Planning Area.

In July of 2006, a Request for Proposals was released for the properties. Eight proposals were submitted by the deadline and they were reviewed for their adherence to the established criteria of job creation, impact on the neighborhood and financial feasibility.



**Current Photo of Property**

**REDEVELOPER**

GESTRA Engineering, Inc., an engineering firm currently headquartered in Oak Creek, WI. The President is M. Masud Alam. GESTRA specializes in geotechnical, structural, pavement, and construction materials engineering and testing services. Its purpose is to provide government, municipalities, engineers, architects, and contractors with high-quality and cost efficient engineering services. GESTRA is a certified Emerging Business Enterprise (EBE) firm. It also was named to the Metropolitan Milwaukee Association of Commerce's "Future 50" list in 2005 and 2006.

**PROJECT DESCRIPTION**

Renovate the existing building for the company's new corporate headquarters, soil laboratory and equipment storage. The existing building will be remodeled and will include new windows, updated HVAC and roof work. The site work includes pavement maintenance/ patchwork, installment of an ornamental fence, landscaping, construction of a parking lot on the southern

vacant lot and excavation and removal of contaminated material. Estimated project cost is \$450,000. The Redeveloper plans to use EBE firms for at least 20% of project costs. Buyer plans to begin redevelopment in the spring of 2007 and complete construction in the winter of 2007-08.

GESTRA currently has 15 employees and plans to add 5 employees over the next two years. Starting pay for hourly employees is \$10/hour during a six-month training period and \$12/hour and full benefits after training is complete.



#### **OPTION TERMS AND CONDITIONS**

The purchase price shall be \$100,000.00. The option term will be for six months to enable the redeveloper to complete its environmental and geotechnical investigations, secure financing and finalize building plans. The option period may be extended by the Executive Director for two three-month extension periods upon submission of a satisfactory written progress report and a \$250 renewal fee for each request. Any additional extensions must be approved by the Redevelopment Authority. A \$5,000 Option Fee is required to be submitted with the Option to Purchase and shall be credited toward the purchase price at closing. In addition, a \$10,000 Performance Deposit will be required at closing to guarantee satisfactory completion of the improvements.

#### **PAST ACTIONS**

The Redevelopment Authority held a public hearing on December 14, 2006, after which it conditionally accepted the Option to Purchase of the named Redeveloper.

#### **FUTURE ACTIONS**

Upon approval by the Common Council and any required approvals by regulatory bodies, Closing will occur once RACM staff has approved of the site and building plans, buyer submits satisfactory evidence of financing, and an approved subdivision plat and/or certified survey map of the site is complete.