

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

DATE

February 15, 2007

RESPONSIBLE STAFF

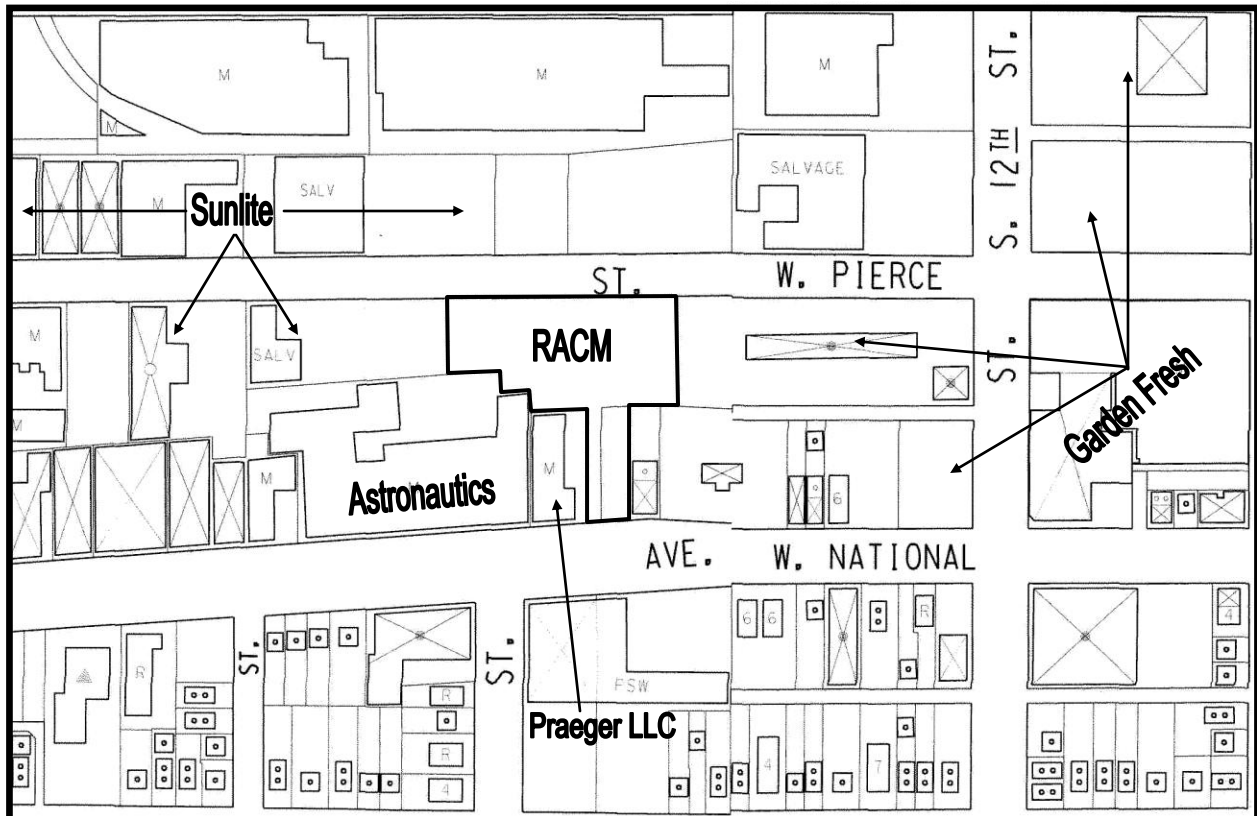
Matt Haessly, Real Estate (286-5736)

REDEVELOPMENT PROJECT AREA

Blight Elimination/12th & Pierce: In 2006, two properties were declared blighted for acquisition as a condition of an Environmental Protection Agency (EPA) clean-up grant provided to the Authority. The properties are on the southern end of the Menomonee Valley and western edge of Walker's Point.

PARCEL ADDRESSES AND DESCRIPTION

1320 West National Avenue and 1333 West Pierce Street: Two adjacent vacant lots with a combined area of approximately 52,000 SF. The assembled site has an irregular shape with only 56 feet on National Avenue, but 311 feet on Pierce Street. The site has significant grade differences between National and Pierce and a retaining wall runs east-west across the property.



SITE BACKGROUND

The properties were formerly owned by Try Chem Corporation, a paint stripping, electroplating, painting & finishing firm from 1916 through 1985. The EPA, Wisconsin Department of Natural Resources ("WDNR"), City and the Redevelopment Authority have conducted a variety of investigations, limited remediation and building demolition. After EPA funds were identified as a remediation option, the City acquired the property through tax foreclosure and subsequently conveyed the sites to the Redevelopment Authority for remediation and disposition. A portion of the EPA funds were used for building demolition.

The Authority solicited development proposals from parties that previously responded to a Request for Proposal that was published in 2005. These parties also were adjacent property owners. The proposals were reviewed and the recommended party with the strongest development proposal and the highest offering price was chosen.

In 2006, the Authority entered into short term leases with two of the abutting property owners to use 1320 West National Avenue for employee parking.

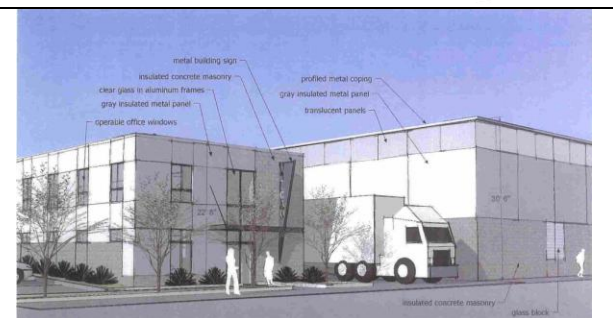
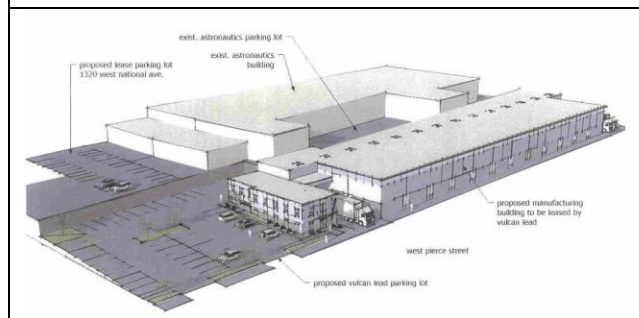
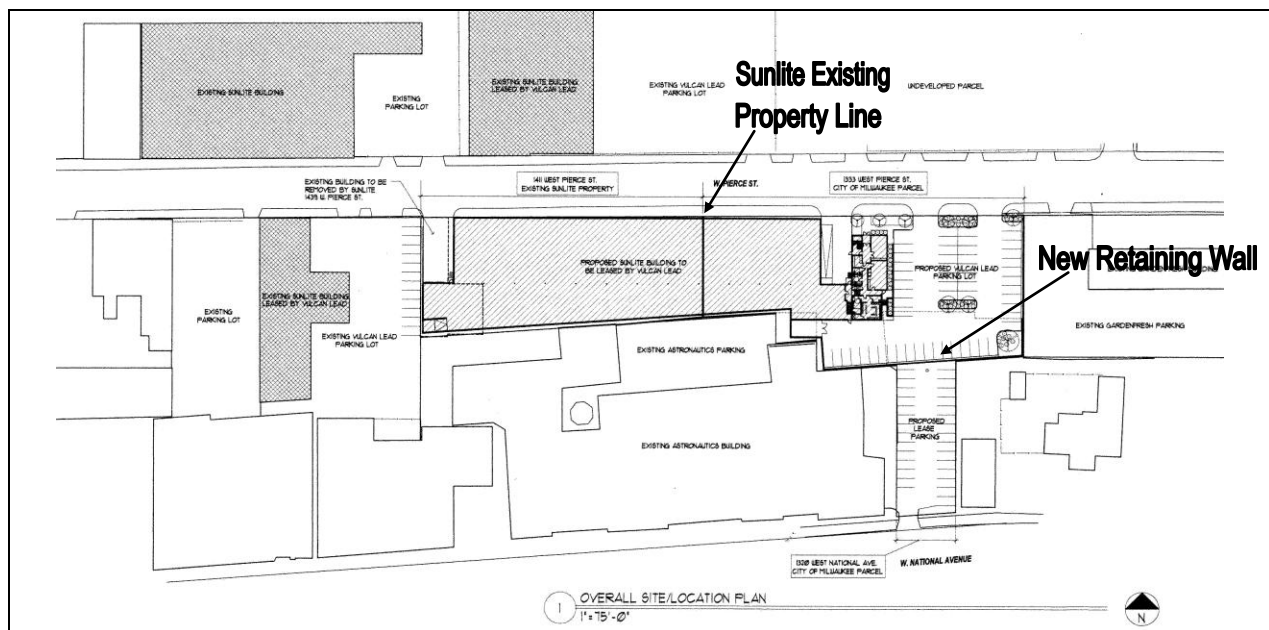
REDEVELOPER

Sunlite Building Corporation, a property management company founded in 1958 and whose corporate offices are at 1517 West Pierce Street. Thomas Kranick is President and Andrew Kranick is Vice President. Sunlite owns property at 1400, 1411-1439, 1501-17, 1512-1528 and 1536-1540 West Pierce Street. The buildings are 90% leased. A new, limited liability company will be formed to take title to the Authority's properties.

PROPOSED DEVELOPMENT

Assemblage with Redeveloper's adjacent property for construction of a 44,800 SF building with 39,200 SF of manufacturing space and 5,600 SF of office area. The estimated development budget is \$3.2 million.

The Redeveloper's improvements will serve as an engineered cap for residual contamination not removed by the Authority. The building will be fully leased to Vulcan Lead, which has leased adjacent properties from Sunlite since 1982. The eastern portion of the Pierce Street parcel will be used for Vulcan employee parking. Sunlite has indicated that the upper parking area fronting National Avenue will continue to be available to adjacent property owners for parking.



Vulcan will be consolidating its Milwaukee operations to this site. Vulcan Lead provides shielding products to manufacturers of medical x-ray, scanning and treatment equipment, manufacturers and pharmacies who produce and dispense radioactive isotopes used in cancer treatment, manufacturers of industrial and homeland security inspection/detection devices and containment vessels. Vulcan Lead also has products used in the aerospace, automotive, heavy equipment, machine tool, explosive (mining industry) and plumbing & heating industries.

TERMS AND CONDITIONS

The purchase price will be \$90,000, as offered by Sunlite in response to the RFP. A \$2,800 option fee is required upon Council approval and will be credited toward the purchase price if the buyer closes prior to expiration of the first option period. A \$9,000 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.

The Authority will use the remaining USEPA clean-up grant funds to prepare and obtain a Remedial Action Plan ("RAP") acceptable to the WDNR, disposal of impacted soils, long-term groundwater monitoring and obtaining conditional closure from the WDNR. If closing is delayed due to remediation activities, the option period can be extended at no cost or penalty to the Redeveloper by the Executive Director.

PAST ACTIONS

The Redevelopment Authority held a public hearing on February 15, 2007, after which it conditionally accepted the proposal of the named Redeveloper.

FUTURE ACTIONS

Upon Common Council approval, the Redeveloper will obtain firm financing and approval of final plans prior to closing. An Agreement for Sale outlining development expectations and timing as well as reversion of title provisions will be drafted in accordance with the terms and conditions expressed herein and contained in the resolution adopted by the Authority. Sale proceeds, less sale and environmental expenses and a 25 percent development fee to the Redevelopment Authority with the balance being returned to the Reserve For Tax Deficit Fund.