

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

DATE

October 2, 2019

RESPONSIBLE STAFF

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REDEVELOPMENT PROJECT AREA

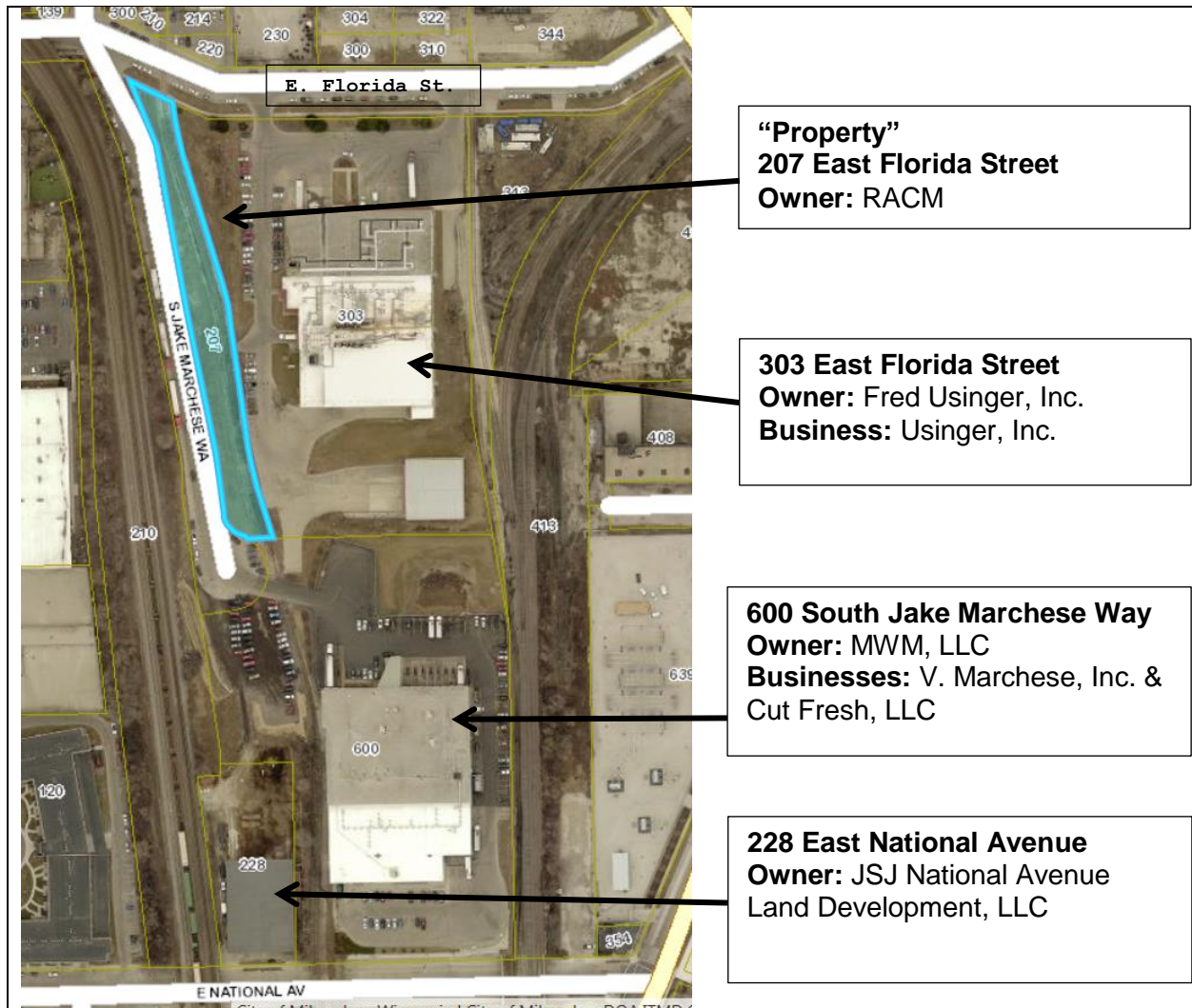
South Water Street – East National Avenue (Florida Yards Industrial Park)

PARCEL ADDRESS AND DESCRIPTION

Address: 207 East Florida Street

Tax Key No.: 428-0571-000

207 East Florida Street (“Property”) is owned by the Redevelopment Authority of the City of Milwaukee (“RACM”) and was created by Certified Survey Map No. 5975 in 1994 as part of the Florida Yards Industrial Park development. The property is 37,512 square-feet (.86 acre) and contains a railroad spur track and multiple utility easements.



BUYER AND PROJECT DESCRIPTION

MWM, LLC (“the “Buyer”) owns the property located at 600 South Jake Marchese Way and leases the building to V. Marchese, Inc. (“Marchese”) and Fresh Cut, LLC (“Fresh Cut”). Marchese and Fresh Cut continue to expand their business operations and are currently out of space. The Buyer plans to expand the existing building to the west by 50,000 square-foot.

The new building will extend over an existing railroad spur that is located immediately west of the building. Union Pacific Railroad Company (“UP”) maintains an easement to operate this spur and has certain rights and privileges. The Buyer negotiated an Agreement for Partial Release of Easements with UP to release the easement on both 600 South Jake Marchese Way and the Property. The Buyer is responsible for paying for any costs associated with the removal of this track, including but not limited to: UP fees, removing the tracks, removing the related rail facilities, and restoring the sites. Once the track improvements are removed, the Buyer will expand the building and utilize the Property for truck staging and parking.

Other recent Common Council actions that support the Buyer’s expansion include a resolution authorizing the sale of a RACM-owned parcel at 317 East National Avenue for a parking lot (File No. 180096, final action on May 8, 2018) and a resolution authorizing the Department of Public Works to execute a Sewer Easement Amendment SEA-2681 (File No. 171443, final action on January 17, 2018).

The Buyer understands that the proposed project may require certain City approvals in addition to the approval of the Land Disposition Report. Closing is contingent upon the Buyer obtaining all necessary approvals.

OFFER TERMS AND CONDITIONS

- A. A Purchase and Sale Agreement will be executed between RACM and MWM, LLC to outline performance obligations and assure satisfactory compliance. The Property is being sold in an “as-is, where-is” condition and the purchase price is \$1.00.
- B. The Buyer is solely responsible for dealing with UP regarding the rail spur and within 24 months after closing the Buyer shall, at its expense, remove the rail spur from the Property and East Florida Street.
- C. The closing will take place on or before November 7, 2019.
- D. RACM has been in contact with Fred Usinger, Inc. to ensure they are comfortable with the land sale and to protect private water facilities that cross the Property. A Private Water Facilities Easements was made on April 12, 2019 and recorded at the Milwaukee Register of Deeds at Document No. 10884810.

DUE DILIGENCE CHECKLIST**ADDRESS: 207 EAST FLORIDA STREET****TAX KEY No.: 428-0571-000**

Market value of the property.	Redevelopment Authority-owned vacant lot was created in 1994 for the Florida Yards Industrial Park. The lot totals 37,512 square-feet (0.86 acre) and is a long, irregularly shaped parcel. The property is being sold "as is, where is," without any guarantees. The \$1.00 sales price is based on the limited development potential of the site and site encumbrances.
Full description of the development project.	MWM, LLC plans to expand their manufacturing building to the south and they will displace parking and truck access. The site will be used for parking and truck staging. The railroad spur track will be removed.
Complete site, operations and scope of work for development.	A portion of the Property will be paved and a portion will remain greenspace. MWM, LLC is working with the Department of Neighborhood Services Development Center to make sure their improvements comply with the Milwaukee Code of Ordinances.
Developer's project history.	V. Marchese Inc. has invested heavily in its facilities in this area and continues to work on expansion and workforce development. The development of 207 East Florida Street will allow Marchese to continue to grow.
Capital structure of the project, including sources, terms and rights for all project funding.	Project will be funded with the Developer's equity and private financing.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	Department of City Development staff determined that there is low risk in selling the property to Marchese, based on its commitment to the area, past growth and future expansion plans.
Tax consequences of the project for the City.	The deed of conveyance will contain a restriction prohibiting the Buyer, its assignee or its successors from applying to the City for tax-exempt property status. Thus, formerly vacant, tax-exempt property will be returned to the property tax rolls.