

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

DATE

May 20, 2004

REDEVELOPMENT PROJECT AREA

Blight Elimination/Riverworks: The property was acquired as a spot acquisition in June 2000 with two other properties from Recycling Industries in a bankruptcy settlement. The property is in the Riverworks Business Improvement District.

The Milwaukee Economic Development Corporation (MEDC) funded the acquisition and listed the property with MLG Commercial Real Estate in 2002 for an asking price of \$140,000. Several prior offers in the price range of \$90,000 were received, but were rejected for inappropriate land uses or withdrawn by the buyer prior to presentation to the Authority for approval.

REDEVELOPER

Legend Masonry Restoration, Inc. is a masonry and rehabilitation contractor that has been in business for three years. Tony Lipek is the owner. The company currently operates in separate office and warehouse space in West Allis and plans to consolidate its operations in a single location. The company also plans to expand employment by three to four people. Mr. Lipek plans to form a partnership with another contractor, Tim Brown, to take title to the property and make the improvements.

PARCEL ADDRESS & DESCRIPTION

3607 North Richards Street: A one-story, 7,783 SF concrete-block warehouse/garage on a 20,106 SF lot. The property has asphalt parking lots to the side and rear. The property was last used as a salvage yard. The building and site improvements are in fair to poor condition. The property had environmental concerns, but the Authority/MEDC completed an environmental cleanup (i.e. abandoned drums with hazardous waste) and removed trash and debris from the yard. The site has DNR closure, but the property is subject to soil and groundwater restrictions. The site is required to be "capped" by the building and parking lot to prevent groundwater infiltration and direct contact with soils.

PROJECT DESCRIPTION

The masonry facade will be renovated with additional windows and door openings and will be fully repaired and painted. The parking lot will be resurfaced with asphalt paving and wrought iron fencing and landscaping will be added to the street frontage. Interior renovations will include updated plumbing, electrical and HVAC systems as well as finished office space. The construction costs are estimated at \$45,000.

SALE TERMS AND CONDITIONS

The purchase price is \$90,000, or \$11.56 per SF of building area. RACM will deduct a 20% development fee from the gross sale proceeds. A 4.5% brokerage fee will be paid to MLG Commercial at closing. The net sale proceeds will be returned to MEDC.

Since the Redeveloper is anxious to close, the Authority will negotiate an Agreement for Sale. Closing will be contingent on approved construction plans and evidence of financing and must occur within 90 days of Common Council approval. No Option Fee will be charged, but a \$9,000.00 Performance Deposit will be required at closing to guarantee satisfactory completion of the improvements.

In addition to the aforesaid terms, the sale will be further conditioned as required in the Redevelopment Authority resolution adopted on May 20, 2004.

PAST ACTIONS

The Redevelopment Authority held a public hearing on May 20, 2004, after which it conditionally accepted

the proposal of the named Redeveloper.

FUTURE ACTIONS

Upon approval of this Report by your Honorable Body, and receipt of requisite approvals by regulatory bodies, the Redevelopment Authority will enter into an Agreement for Sale and proceed to close in accordance with the terms and conditions expressed herein and contained in the form of contract and resolution referred to above.

Respectfully submitted,

**REDEVELOPMENT AUTHORITY
OF THE CITY OF MILWAUKEE**

Elaine M. Miller
Special Designee for the Assistant Director