

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

DATE

May 19, 2005

RESPONSIBLE STAFF

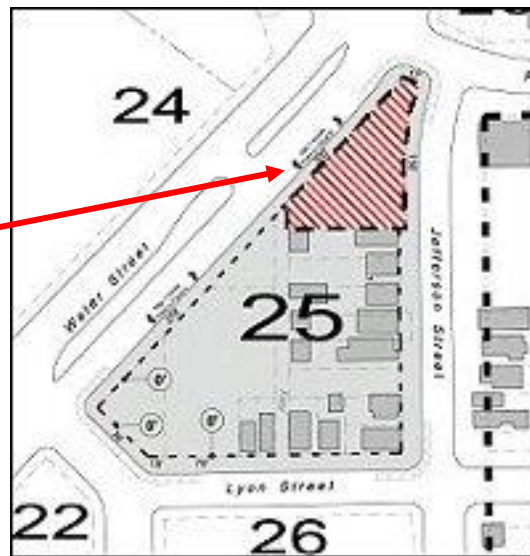
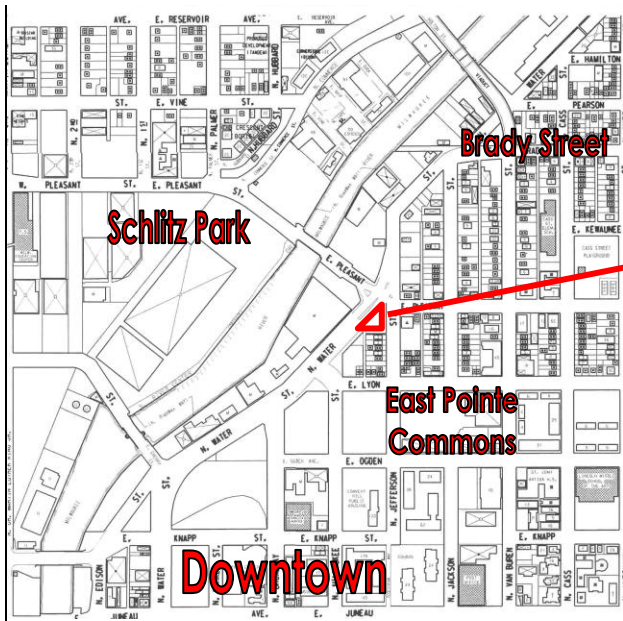
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REDEVELOPMENT PROJECT AREA

The removal of the Park East Freeway spur in 2002-2003 opened up 26 acres of prime land near downtown for redevelopment. In November 2002, the Redevelopment Authority approved The Park East Redevelopment Plan, which outlines preferred uses and design guidelines for the land under and surrounding the former Park East Freeway spur. Amendments to the Redevelopment Plan were made in August 2004 and April 2005. The Redevelopment Authority only controls one parcel in the Park East Redevelopment Project Area at the northeast corner of Block 25.

BACKGROUND: REQUEST FOR PROPOSAL

At the February 17, 2005 Redevelopment Authority meeting, the Authority authorized the marketing of the Authority-owned parcel in Block 25 of the Park East Redevelopment Project Area. The Authority advertised the property through a Request for Proposals and six proposals were received before the deadline. After staff review, the top three finalists were interviewed and staff recommended acceptance of the proposal from Legacy Real Estate Partners, LLC.



DEVELOPER

Legacy Real Estate Partners, LLC consists of the Planning and Urban Design Institute, Inc. as the Urban Design Consultant; AG Architecture, Inc. as the Architect; Hurtado Consulting, LLC as the Consultant; Altius Building Company as the General Contractor; and Shorewest Realtors as the Exclusive Marketing Agent.

Legacy Real Estate Partners, LLC has developed similar properties in Milwaukee's "Beerline B" neighborhood, such as River Homes (42 residential units, completed), Rivercourt (24 residential units, completed) and Union Point (71 residential units and retail, under construction). They also were

involved with the development of the Milwaukee Rowing Club Facility on Commerce Drive.

PARCEL ADDRESSES & DESCRIPTION

Block 25 in the Park East Redevelopment Project Area: A 10,201 square foot vacant lot at the southwest corner of Water, Pleasant and Jefferson Streets. There is an elevation drop of ten to thirteen feet from Pleasant Street to Water Street. The site serves as an eastern gateway to the Park East Redevelopment Area. The excess right of way at the intersection of North Water, East Pleasant and North Jefferson, which was authorized for vacation at the February 17, 2005 Redevelopment Authority meeting and will be vacated on July 6, 2005 upon Common Council approval.

PROJECT DESCRIPTION

This \$6.5 million development (which will pay approximately \$170,000 in its first year in property taxes) will consist of 33 residential condominium units, 2,500 square feet of retail space and 34 enclosed parking spaces. The retail and parking would be located on the first to floors with the residential units on the upper three floors. The top floor units will have second-floor lofts surrounded by a "green roof" that will be built on top of the building to reduce stormwater runoff. The residential units range in size from 720 to 1,256 square feet and in price from \$169,900 to \$279,900, respectively. It will take approximately two years from the time the land is sold for construction to be completed and the building fully occupied.



OPTION TERMS AND CONDITIONS

The gross purchase price will be \$230,800, which is \$20/SF. A \$10,000 Option Fee is required and shall be credited toward the purchase price if the Redeveloper closes within the initial option period. A \$10,000 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 one three-month period upon submission of a \$1,000 non-refundable renewal fee and satisfactory progress report on efforts to obtain financing and final plans.

In addition to the aforesaid terms, the sale will be further conditioned as required in the Redevelopment Authority resolution adopted on May 19, 2005, and in the Option to Purchase negotiated by the Authority and the Redeveloper.

PAST ACTIONS

The Redevelopment Authority held a public hearing on May 19, 2005, after which it conditionally accepted the Option to Purchase 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 will be drafted in accordance with the terms and conditions expressed herein and contained in the resolution adopted by the Authority.