

**LRB – RESEARCH AND ANALYSIS SECTION ANALYSIS**

**APRIL 5, 2006 AGENDA**

**ITEM 2 FILE 051604**

**ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE**

**Emma J. Stamps**

File No. 051604 is a resolution authorizing sale of the surplus, tax-deed vacant lots in the 3600 block of West North Avenue for sale to Renaissance Food Court, LLC, for development of Scoopz Frozen Custard, in the 15<sup>th</sup> Aldermanic District. (RACM)

**Background**

1. Pursuant to Wisconsin Statutes, and as a condition precedent to the sale, lease or transfer of land, RACM must submit to the Common Council, a Land Disposition Report describing the terms and conditions of the proposed sale.

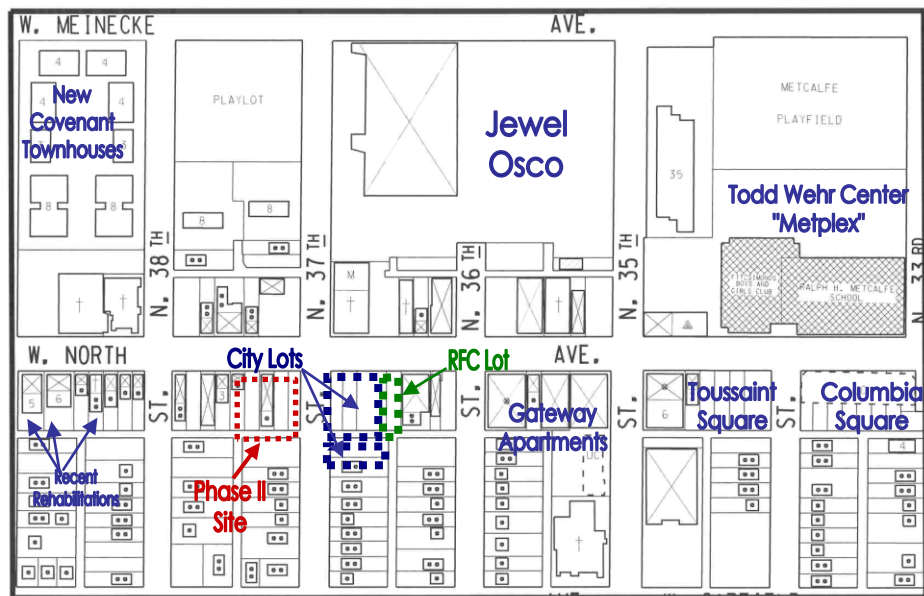
**Discussion**

1. Renaissance Food Court, LLC, has submitted an unsolicited offer to purchase three surplus, tax-deed vacant lots at 3621-25, 3627-29 and 3631-33 West North Avenue and 2236-38 North 37th Street for \$1,800 each for assemblage with their adjoining property at 3617 West North Avenue to develop Scoopz Frozen Custard, a 4,900 square foot freestanding restaurant. The building will measure a total 22,080 sq. ft.
2. Renaissance Food Court, LLC is a new limited liability company whose president will resign in October 2006, when project construction completes.
3. The restaurant will offer:
  - Walk-up service
  - Indoor and outdoor seating areas
  - 12 parking spaces on the main parcel
  - 10 additional parking spaces on the parking lot across the alley
  - 11 to 15 permanent full-time jobs
  - 19 to 25 seasonal jobs
4. Financing will involve a combination of equity from:
  - Buyer/developer (amount not listed)
  - New Market Tax Credits (amount not listed)
  - Loan from Legacy Bank (amount not listed)
  - Milwaukee Economic Development Corporation loan (amount not listed)

The buyer/developer may also request additional City assistance such as:

- Grants from the Tax Incremental District (amount not listed)
  - Grants from the Retail Investment Fund capital appropriations (amount not listed)
5. A diagram of the proposed development location and assemblage is shown on the next page.

Diagram: Proposed site of project Scoopz



6. File 051604 approves the Land Disposition Report and conditions of the purchase option. It does not contain a final agreement for sale.
7. An EBE agreement will be negotiated according to the department.

**Fiscal Impact**

According to the fiscal note, the developer will pay \$7,200 or \$1,800 per lot less sales expenses and 25% development fee to RACM. The DCD has determined that this price, below the City's asking price, is justifiable due to the developments' value.

The developer must secure financing prior to closing. The \$1.7 million total project costs includes \$975,000 in development costs. File 051604 does not assess whether the project can move forward without the aforementioned City assistance.

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