

**LAND DISPOSITION REPORT
TO THE
COMMON COUNCIL OF THE CITY OF MILWAUKEE**

DATE

February 11, 2003

BUYER

Kane Place Lofts, LLC, a new limited liability corporation created to develop and manage this project. Kane Place Lofts, LLC sole member at present is Mr. Jim Metz. Mr. Metz has developed several east side properties including the Park Place Condominiums on a surplus City parking lot near the intersection of East Park Place and North Newhall Street.

PARCEL ADDRESS & DESCRIPTION

1101 East Kane Place and 1877 North Pulaski Street: Two surplus City lots that contain approximately 8,043 square feet of land area. The properties are at the southeast corner of North Humboldt Avenue and East Kane Place with additional frontage on North Pulaski Street. These lots will be assembled with the developer's property at 1866 North Humboldt Avenue.

PROPOSED REUSE

The developer is proposing to construct a mixed-use building with 14 residential condominiums on the upper floors and a ground floor commercial space. The developer's duplex at 1866 North Humboldt Avenue will be razed to accommodate the new building. The condominiums will be one and two bedroom units ranging in size from 1,079 to 1,290 square feet. The price range for the condominiums will range from \$175,000 to \$255,000.

The development will represent a \$3 million investment in the neighborhood.

OPTION TERMS AND CONDITIONS

The purchase price for the lots is \$75,000 or \$5,000 per building unit. An option fee of \$3,750 will be charged and this fee will be credited toward the purchase price if Buyer closes within six months of approval by the Common Council. The buyer is also required to submit a Performance Deposit in the amount of \$7,500, which will be held until satisfactory completion of the project

The base option term is six months to enable the buyer to develop final building plans and to obtain financing. Closing is contingent upon approval of same by the Department of City Development. The Option to Purchase may be extended by the Commissioner of DCD for up to two additional three-month periods upon submission of a satisfactory written progress report and a \$500 renewal fee.

The purchase price will be paid in full at the time of closing. A development fee of 20% of the sales price will be paid to RACM. The sale will be further conditioned upon satisfactory review and approval of site and building plans by DCD staff and upon submittal of firm financing.

An adjustment, not to exceed the purchase price, will be allowed at time of closing for adverse and documented geotechnical, environmental, utility and/or infrastructure issues that may hinder the redevelopment efforts.

FUTURE ACTIONS

Upon approval of this Report by your Honorable Body, and receipt of requisite approvals by regulatory bodies, the City

of Milwaukee will enter into a sale and/or development agreement 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,

A handwritten signature in black ink, appearing to read 'Gregory J. Shelko', written in a cursive style.

Gregory J. Shelko
Manager, Real Estate and Development Services

MFH:mfh