

**LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS**

**ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE**

**OCTOBER 6, 2009**

**Item 5, File #090700**

File Number 090700 declares the City-owned property at 1027 N. Edison Street blighted and authorizes the Commissioner of City Development to transfer this property to the Redevelopment Authority.

**Background**

1. The City has owned the 19,985-square-foot lot at 1027 N. Edison Street since 1932. This property has been used for snow storage and, more recently, as a parking lot for City employees. It was also used as a construction-staging area for the RiverWalk and the Highland Avenue pedestrian bridge.
2. On December 11, 2007, the Common Council adopted File No. 071131, a resolution approving the sale of this property to Edison Green, LLC, for construction of a mixed-use building. However, due to poor economic conditions, Edison Green, LLC was unable to perform within the option-to-purchase period originally granted. On July 7, 2009, via File No. 090213, the Common Council granted a 12-month extension to Edison Green, LLC, for purchase of this property.
3. Pre-development environmental investigation of this parcel revealed the presence of polycyclic aromatic hydrocarbons and metals (dating from uses of the property prior to City ownership) which may need to be remediated through soil removal and/or an engineered cap. The Redevelopment Authority of the City of Milwaukee ("RACM") has identified a U.S. Environmental Protection Agency Brownfield Clean-Up Grant as a potential funding source for remediation, but RACM must be the property owner in order for it to submit a grant application.

**Discussion**

1. This resolution declares the City-owned property at 1027 N. Edison Street blighted and directs the Commissioner of City Development to transfer this property to the Redevelopment Authority of the City of Milwaukee ("RACM") without monetary consideration.
2. The transfer of the property to RACM also assigns the City's option-to-purchase with Edison Green, LLC, to RACM.
3. The resolution also authorizes the City to accept easements from RACM for underground utilities and the public plaza and pedestrian way already located on the property.

4. Upon acquiring this property from RACM, Edison Green, LLC, intends to construct an 8-story, mixed-use building along with a new public RiverWalk segment along the river frontage of the property.

**Fiscal Impact**

1. The land disposition report in the file indicates that the property will be sold to Edison Green, LLC, for \$512,000. Closing will occur after RACM has completed initial environmental remediation of the property and once the buyer has received approval of final construction plans and has financing in place.
2. The resolution and the land disposition report stipulate that, upon closing of the sale, the sale proceeds, less sale expenses and a 30% fee to RACM, shall be deposited in the City's General Fund.

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