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

Date

July 11, 2013

RESPONSIBLE STAFF

Dave Misky (286-8682), Assistant Executive Director-RACM

REDEVELOPMENT PROJECT AREA

Menomonee Valley Industrial Center: The Redevelopment Authority acquired approximately 130 acres in the Menomonee Valley in July 2003 from CMC Heartland Partners. Since acquisition, the Authority has been preparing the area for redevelopment by conducting environmental remediation, removing old building foundations and making geotechnical improvements, adding and compacting fill to raise the property out of the flood plain and conducting property surveys. Extension of West Canal Street through the project area was completed in April 2006.



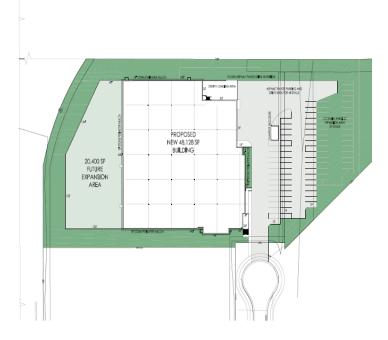
REDEVELOPER

Rishi Tea, which has a corporate office and manufacturing facility in Milwaukee, WI, offers organic and Fair Trade Certified loose leaf teas. The company distributes its products nationally and has a growing international business necessitating a need to expand.

PROJECT DESCRIPTION

Approximately 3.8 acres located to the north of Roundhouse Road. The site will be developed with a 48,000 SF office and manufacturing facility for Rishi Tea. The estimated project cost is \$4.9 million and the Redeveloper will be required to enter into a Small Business Enterprise and Residents Preference Program Agreement. Rishi Tea plans to begin construction in the fall of 2013 for occupancy in the spring of 2014.

Rishi Tea currently has 40 employees in its facility in Bay View. The company expects to add up to 20 employees in the next five years after completion of the building. Hourly wages are between \$10.00 to \$20.00/hr for manufacturing employees, depending on experience. Further, Rishi Tea has outstanding health benefits, including the company's paying of 90 to 100 percent of health insurance premiums for its employees. Also, Rishi expects to hire sales, marketing and administrative personnel, with anticipated average annual salaries of \$40 - \$75k.



Preliminary Site Plan



View from Southeast looking Northwest

OPTION TERMS AND CONDITIONS

The purchase price shall be \$120,000 per usable acre. The option term will be for six months to enable the Redeveloper to complete its environmental and geotechnical investigations, secure financing and finalize building plans. The option period may be extended by the Executive Director for two, three-month extension periods upon submission of a satisfactory written progress report and a \$250 renewal fee for each request. A \$10,000 Option Fee is required to be submitted with the Option to Purchase and shall be credited toward the purchase price at closing. In addition, a \$10,000 Performance Deposit will be required at closing to guarantee satisfactory completion of the improvements.

Additional terms and conditions are identified in a Term Sheet.

PAST ACTIONS

The Redevelopment Authority held a public hearing on July 11, 2013, after which it conditionally accepted the Option to Purchase of the named Redeveloper.

FUTURE ACTIONS

Upon approval by the Common Council and any required approvals by regulatory bodies, Closing will occur once RACM staff has approved of the site and building plans, Redeveloper submits satisfactory evidence of financing and an approved subdivision plat and/or certified survey map of the site is complete.