

OFFICIAL NOTICE NO. 6778

REQUEST FOR PROPOSALS

(Proposals Due by 4:00 p.m., January 3, 2013)

PARK EAST PARCEL

MILWAUKEE, WISCONSIN

Block 2E - located on the east side of the Milwaukee River

(also identified as Block 22 in the City of Milwaukee Park East Redevelopment Plan)

Milwaukee County is soliciting proposals for the purchase and development of a vacant County-owned property located in the former Park East Freeway Corridor in the City of Milwaukee. Milwaukee County is seeking a developer or development team (“Proposer”) to purchase and develop the property in a manner that is compatible with and adds vitality to the surrounding neighborhood, complies with the City of Milwaukee Park East Redevelopment Plan (“Redevelopment Plan”), responds adequately to the Milwaukee County Park East Redevelopment Compact and returns the property to the property tax roll.

SUMMARY

Property: Block 2E of the Park East Development Plat, East of the Milwaukee River (see **Exhibit A-1 attached**). Block 2E comprises Lot 1, which is approximately 39,704 square feet, Lot 2, which is approximately 53,400 square feet, and a proposed north/south alley of approximately 6,551 square feet for a total block area of approximately 99,655 square feet (Property). The legal description used to convey the Property will reflect the final Park East Development Plat East of the Milwaukee River, adopted by the City of Milwaukee Common Council and/or the subsequent title commitment.

Block 2E comprises prime frontage on North Milwaukee Street, North Water Street, North Broadway Street and East Ogden Avenue. The Property has a sloping topography with an elevation drop from North Milwaukee Street to North Broadway/Water Streets. An approximate topographical map is attached as **Exhibit A-2**.

The alley depicted on the enclosed plat and Redevelopment Plan has not been dedicated as a public alley so the land area within the alley can become a part of any proposed development plan and is included in the purchase of Block 2E.

The gravel pile located on Block 2E is limestone spoil generated from a Milwaukee Metropolitan Sewerage District tunnel project and **is not** included as part of the sale of Block 2E.

Property History:

The Property is located within the former Park East Freeway Corridor. The elevated freeway structure that existed within the Park East Corridor was razed and replaced with an at-grade, six-lane boulevard (West McKinley Avenue) and a new bridge across the Milwaukee River. Removal of the freeway structure allowed for the reestablishment of the city street grid and opened up the land beneath and around the freeway corridor for redevelopment as a high quality residential, commercial and entertainment area. This Property, along with other properties within the former Park East Freeway Corridor, was formerly under the jurisdiction of the State of Wisconsin, Department of Transportation.

Minimum Price: \$ 3,200,000

No brokerage fee will be paid by Milwaukee County.

Zoning:

The Property is located within the Park East Renewal Area, and is governed by the Redevelopment Plan, adopted by the City of Milwaukee Common Council on June 15, 2004. The Redevelopment Plan consists of three documents:

- The **Renewal Plan**, which contains language that satisfies the state statutes in order to carry out the renewal activities within the Park East Redevelopment project boundaries.
- The **Master Plan**, which links the Redevelopment Plan to the Milwaukee Downtown Plan.
- The **Development Code**, which defines land use and design standards.

The Development Code defines permitted land uses and physical design standards such as building placement, height, build-to lines, and street-edge treatment. Relevant portions of the Development Code pertaining to Block 2E (a.k.a. Block 22) are attached to this Request for Proposals as **Exhibit B**.

The Redevelopment Authority of the City of Milwaukee must approve all development plans before building permits can be issued. The approval hinges on conformance with the standards enumerated in the Development Code.

The full Development Code and Redevelopment Plan are available on-line at www.city.milwaukee.gov/projects/parkeastredevelopment.htm. Block 2E is located in the Upper Water Street District. It is the responsibility of the Proposer to review and understand the three documents prior to submitting a proposal. Questions about the Development Code may be directed to Lori Lutzka at the City of Milwaukee, Department of City Development at (414) 286-5846 or lori.lutzka@milwaukee.gov.

The Property is zoned C9B(A). This zoning category allows for a mix of uses including residential, retail, office, and entertainment. A full list of permitted uses is identified in the Redevelopment Plan.

Potential Use:

The land use provisions and building/site requirements described in the Redevelopment Plan is applicable to all publicly and privately owned parcels and structures located within the Redevelopment Plan boundary. All permit applications and plans for new construction within the area of the Redevelopment Plan will be referred to and reviewed by the Redevelopment Authority of the City of Milwaukee to determine conformance with the Redevelopment Plan. Parking to serve the proposed development will be in the form of a parking structure with ground level, non-parking uses. Shared parking among uses that have non-overlapping, peak parking demands (such as nighttime and weekend entertainment activities) is encouraged.

Utilities:

Municipal sewer and water is available to the Property. It is the responsibility of the Proposer to verify with the City of Milwaukee the location and capacity of the utilities necessary to serve the proposed development. The existence and/or suitability of laterals are the responsibility and obligation of the Proposer. Deferred assessments and/or charges/fees on the Property, if any, shall be the financial obligation of the Proposer.

Environmental Conditions:

Independent Phase I & II Environmental Site Assessments (ESA) for Block 2E (a.k.a. Parcel 124) are attached as **Exhibit C-1 and C-1a**.

Subsoil Conditions:

The Property was part of the former Park East Freeway Corridor and contained above and below grade freeway structures. Demolition of the elevated freeway structures included the partial or complete removal of the below-grade freeway support elements and related infrastructure (except piles). The City of Milwaukee, Department of Public Works managed the demolition of the elevated freeway structures as well as the removal of the below-grade freeway support elements and related infrastructure. For specific information regarding the freeway demolition contact Mr. Jeffrey Polenske in the City Department of Public Works at 414-286-2400.

Prior to the existence of the freeway, the Property contained various buildings and/or structures (see **Exhibit D** attached). Therefore, the Property may contain foundations, building materials or other debris from these buildings and structures, in addition to any remaining freeway support elements or related infrastructure. The Proposer is responsible for and must make adequate allowance for all excavation and disposal costs for the proposed project. Milwaukee County has no information regarding the bearing capacity of the soil and the Proposer accepts the Property in “as-is” condition, as it pertains to environmental and subsoil conditions.

*Storm water
Management
Plan:*

Should the proposed project exceed one acre, the Proposer will be required to submit to the City of Milwaukee a storm water management plan prepared by a registered engineer, in conformance with Chapter 120, City of Milwaukee Code of Ordinances.

Go to www.mkedcd.org/build/pdfs/stormwat.pdf for more information.

*Conveyance
Conditions:*

Conveyance of the Property shall be “as-is”, without warranty as to soil, subsoil and environmental conditions. Proposer shall be responsible for all property development costs, including, but not limited to, extension of water and sewer laterals to the property line, vacation charges or fees, if any, deferred assessments, if any, and the replacement of sidewalks and curb cuts.

Sale of the Property will be subject to the Proposer commencing and completing the construction of the proposed development pursuant to the development schedule submitted by the Proposer and approved by Milwaukee County. In the event the Proposer fails to comply with the excavation commencement date in the proposed development schedule, Milwaukee County shall have the option to repurchase the Property and the Proposer agrees to re-convey the Property by Warranty Deed, free and clear of all liens, encumbrances, taxes, assessments and the rights of others, except those in existence, if any, prior to the conveyance of the Property to the Proposer.

*Performance
Deposit:*

The Proposer shall submit to Milwaukee County, at or prior to closing, a Performance Deposit (“Deposit”), Bond or Letter of Credit in the amount of \$50,000.00. The Deposit/Bond/Letter of Credit shall serve as security for the satisfactory performance of the project obligations and commitments made in response to this Request for Proposals, the terms of the development agreement entered into by the Proposer and as a guarantee for the completion of the development project approved by the City of Milwaukee. No interest will be paid on the Deposit.

*Park East
Redevelopment
Compact:*

Milwaukee County Board Resolution File No. 04-492 (see **Exhibit E** attached) established the Park East Redevelopment Compact (“PERC”) for the sale and development of the County-owned land within the former Park East Freeway Corridor. The policy direction created through the PERC was adopted to pursue the “goal of providing additional sustainable community benefits” from the sale and development of the County-owned land.

The Proposer will be required to comply with the Disadvantaged Business Enterprise (“DBE”) section of the PERC (lines 82-86 of Exhibit E). The DBE participation goal is 25% of the project’s construction budget and 17% for the project’s professional services non-construction budget. Each proposal shall outline the Proposer’s percentage DBE participation goal of the project’s construction budget and the professional services non-construction budget. As part of preparing the proposal, the Proposer shall discuss with each Disadvantaged Business Enterprise their role in the

project and what percent participation of construction or professional service they will provide, including estimated compensation for their services.

Documentation of the Proposer's good faith effort to satisfy or exceed this utilization percentage must be made to the Milwaukee County Community Business Development Partners (CBDP) office prior to closing and incorporated in a PERC Compliance Plan approved by CBDP. For more information please contact Mark Phillips of the County CBDP office at mark.phillips@milwcnty.com or call 414-278-5104.

The Proposer must also meet the requirements of the "Prevailing Wages & Employment Data" section of the PERC (lines 111 – 119 of Exhibit E). The Proposer must address the other sections of the PERC outlined in the PERC Commitments section on page seven of this Request for Proposals.

Development Agreement:

Proposer will be required to enter into a Development Agreement (see **Exhibit F**), as part of the Property closing. The Development Agreement will include, but will not be limited to, the project make-up, the commitments, obligations and a guarantee by the Proposer, the schedule of the development project, the project design approved by the County and the City of Milwaukee, as well as the PERC commitments incorporated in the approved PERC Compliance Plan.

Proposal Deadline:

Proposals must be received by **4:00 p.m. on January 3, 2013** in the office of the Milwaukee County Clerk, 901 North 9th Street, Milwaukee, Wisconsin, Room 105 (Office hours: 8:00 a.m.- 4:00 p.m., Monday – Friday).

Approval/Grant of Option:

Upon approval of a Proposer and a project development by the Milwaukee County Board of Supervisors and the County Executive, the selected Proposer will be granted a nonassignable twelve (12) month option to purchase on the Wisconsin Department of Regulation and Licensing form WB-24 (sample attached as **Exhibit G**). The option period shall be used by the Proposer to satisfy or obtain any or all purchase and development requirements, tenant/financing commitments, approvals or licenses/permits from the City of Milwaukee and/or other regulatory agencies. Proposer shall exercise the option on or before the expiration of the twelve-month option period and close the purchase within thirty (30) days thereafter. The selected Proposer shall pay a \$50,000 option fee in the form of a certified cashier's check or money order for the twelve-month option period. The \$50,000 option fee shall be credited against the purchase price at closing, but nonrefundable if the sale does not close. The Proposer shall, at its option, be granted two additional six (6) month extensions after the initial twelve-month option period. The Proposer shall pay a nonrefundable option extension fee of \$25,000 for each additional six-month extension, with one-half of the option fee paid for each six-month extension period increasing the purchase price paid by the Proposer. The option fee paid for any additional six-month extension shall be credited against the increased purchase price at closing.

Any extensions beyond the twenty-four (24) month option period shall be at the discretion of the County Board and County Executive taking into consideration the reasons expressed by the Proposer for requesting the extension. The calculation of the time value of money using the increased purchase price, the duration of the option, and appropriate market rate of return shall be utilized to establish the option extension fee. Whether the option extension fees paid are credited against the purchase price or further increase the purchase price shall be decided at the time the extension request is made by the Proposer.

In the event the Proposer does not exercise the option and finalize the purchase of the Property, 100% of all option fees paid (including those fees that increased the purchase price) will not be refunded.

Property Closing: Closing the sale is contingent on the completion of the following items to the satisfaction of Milwaukee County:

- Approval of the project design by the City of Milwaukee (with City permit to commence construction, if available). Said design shall be consistent with the proposal approved by the Milwaukee County Board of Supervisors and County Executive.
- Project financing satisfactory to Milwaukee County.
- Executed Development Agreement and approved PERC Compliance Plan.

PROPOSAL CONDITIONS/REQUIREMENTS/INSTRUCTIONS

The proposal submitted in response to this Request for Proposals shall include, but not necessarily be limited to, the following:

Qualifications: Identify the corporate identity, ownership type, individuals and/or development team submitting the proposal and summarize the expertise, background and experience they possess to complete the proposed development. Describe any comparable development projects completed by the individuals and/or development team. **Proposer shall include within the proposal an acknowledgement signed by all project team members that they understand their specific role and participation in the proposed project.**

Purchase Price: The price being offered for Block 2E, including the land area depicted as the alley, giving consideration to the minimum price noted on page two herein.

Project Description: A project narrative indicating the type and/or mix of the development being proposed, the compatibility of the proposed development within the immediate neighborhood and how the development will enhance the neighborhood.

The proposal should identify the realistic sources of or project funding and outline the financing strategy and demonstrate project feasibility with a project development budget/ pro-forma (including estimated rents, unit sale prices, etc). The Proposer should not assume the City of Milwaukee will provide financial assistance for the project. Any desire for financial assistance from the City should be discussed with the City regarding its availability prior to submitting a proposal.

The proposal should include sketches, building elevations, preliminary/conceptual architectural plans, type of construction, and building materials to be used. Describe any unique design elements or other features that make the proposed project a signature or landmark development. Provide a summary of the marketing plan for the components of the development (i.e. retail, office, residential, parking, etc.) in order to support the economic feasibility of the proposed project. Colored three-dimensional renderings are recommended to support the project description.

Site Plan: Preliminary plan(s) depicting building areas, open/green spaces, parking, loading, pedestrian and vehicular circulation, site ingress/egress, site landscaping and street-scaping.

Project Schedule: Estimated schedule of the proposed development, including but not limited to, the excavation commencement and completion dates and the completion date of the entire project. Please consider the approval schedule of the development by the City of Milwaukee when preparing the project schedule.

PERC Commitments: Each proposal shall outline the Proposer’s intent to satisfy the PERC commitments defined in the “Prevailing Wages and Employment Data” and the “Disadvantaged Business Enterprise” sections of **Exhibit E** (lines 111-119 and 82-86 respectively). Each proposal shall also outline if and how it will include the other components of the PERC, specifically:

Enhanced Apprenticeship & Training	lines 88 – 92
Local Employment & Coordination	lines 94 – 109
Affordable Housing	lines 121 - 127
Green Space & Green Design	lines 129 – 132

Estimated Project Cost/Tax Base: Estimated itemized project development costs, both hard and soft costs, (including developer fees, if any), real estate tax base generated and estimated total cost of the project at completion, in year 2013 dollar amounts.

It is strongly recommended that the submitted proposal include a table of contents which categorizes, tabs and indexes the above stated items (plus any additional items added by the Proposer) in an orderly manner for efficient referencing and evaluation.

PROPOSAL SUBMITTAL/CHANGES/CONTACT INFO/INFORMATIONAL MEETING

Submission: Please send or deliver fifteen (15) complete copies of your proposal marked **Official Notice No. 6778** by the **4:00 p.m., January 3, 2013** deadline to:

Milwaukee County Clerk
901 North 9th Street, Room 105
Milwaukee, WI 53233
(Office hours: 8:00 a.m.- 4:00 p.m., Monday – Friday)

Proposals received after this deadline will not be considered and will be returned unopened.

Changes and Clarifications: Any changes or clarifications to this Request for Proposals will be posted on the Block 2E Request for Proposals website at:
www.county.milwaukee.gov/realestate .

Pre-Submittal Informational Meeting: A pre-submittal meeting will be held on October 31, 2012, 2:00 – 2:45 p.m., at 2711 West Wells Street, Room 390, Milwaukee, Wisconsin. There will be no formal presentation but Milwaukee County representatives will be present to answer questions. A summary of the questions and answers from this session will be posted on the County website at www.county.milwaukee.gov/realestate .

Contact Information: Contact personnel and information are listed on the attached **Exhibit H**. Questions regarding this Request for Proposals or the pre-submittal informational meeting should be directed to Mr. Craig C. Dillmann, Manager of Real Estate Services, Milwaukee County at 414-278-4371 or craig.dillmann@milwcnty.com.

Questions regarding the Redevelopment Plan, potential land use, right of way matters, zoning, freeway demolition, utilities, or other city development issues approvals/schedule should be directed to Lori Lutzka in the City of Milwaukee, Department of City Development at 414-286-5846 or email lori.lutzka@milwaukee.gov .

All proposals submitted are the property of Milwaukee County and will not be returned. Milwaukee County will honor confidentiality requests to the extent possible.

PROPOSAL EVALUATION AND SELECTION

Proposals will generally be evaluated based on the following criteria:

- The aesthetic quality, design, mix and architectural interest/compatibility of the proposed development, including the type and quality of building materials, the

extent of landscaping and the extent to which the proposed development enhances the surrounding neighborhood.

- Compatibility of the proposed use with the adjacent land uses and compliance with the City of Milwaukee Redevelopment Plan, the associated Development Code, and the City of Milwaukee Zoning Ordinance.
- The purchase price (consider minimum purchase price as indicated on page two herein), estimated itemized project cost (both hard and soft), project cash-flow/proforma, estimated total project cost, development schedule, and estimated tax base generated (The objective of this Request For Proposals is to return the Property to the tax roll).
- Feasibility of the project financing plan/package.
- The capability (including financial) and experience of the Proposer to complete the proposed development.
- The extent to which the Proposer addresses the PERC commitments, including but not limited to, the DBE utilization percentage goals proposed for the development.
- Clear, organized, and concise presentation of the proposed project (table of contents with tabbed sections in the proposal).
- Overall responsiveness to the requirements of the Request for Proposals.

After the proposal has been delivered to the Milwaukee County Clerk no changes shall be made to the proposal unless requested by Milwaukee County to clarify or amplify particular aspects of the proposal.

Milwaukee County reserves the right to accept or reject any or all proposals for any reason at its sole discretion; and/or to discuss/negotiate the terms, conditions, or components of a submitted proposal with a Proposer(s); or to request additional information or documentation concerning a submitted proposal.

The content of this Request for Proposals is for informational purposes only and the representations made herein, though thought to be accurate, are without warranty. Proposers shall rely exclusively on their own investigations and analyses.

Pursuant to adopted County Board Ordinance 9.05(2)(1) no person(s) with a personal financial interest in the approval or denial of a contract (proposal) being considered by a County department or with an agency funded and regulated by a County department, may make a campaign contribution to any County official who has approval authority over that contract (proposal) during its consideration. Contract (proposal) consideration shall begin when a contract (proposal) is submitted directly to a County department or to an agency until the contract (proposal) has reached final disposition, including adoption, County Executive action, proceedings on veto (if necessary), or departmental approval. This provision does not apply to those items covered by Section 9.15 (honorariums, fees, and expenses) unless an acceptance by an elected official would conflict with this section.