

## PUBLIC HEARING NOTICE

The County of Milwaukee is inviting citizen comments on the proposed Community Development Block Grant (CDBG) funding for 2013.

Milwaukee County will be receiving 2013 federal CDBG funding totaling approximately \$1,200,000. The CDBG funding is to be shared between Milwaukee County and 16 participating municipalities. The municipal share will be allocated in accordance with Inter-Governmental Cooperation Council policy adopted for this purpose. It is proposed that the county's share be used for county-wide projects. Approximately 20% is set aside for administrative costs.

The Economic and Community Development Committee is holding a public hearing on Monday, June 18, 2012 at 9 a.m. in Rm. 201B of the Milwaukee County Courthouse to obtain the views of county citizens on the general needs of the CDBG funds. Non-profit agencies are eligible to apply for these grants. For further information, please contact Damon Dorsey at 278-4780 or [Damon.Dorsey@milwcnty.com](mailto:Damon.Dorsey@milwcnty.com)

1 By Supervisors Schmitt and Weishan

2

**Journal**  
File No. 12-480

3

### **A RESOLUTION**

4 Approving a lease amendment to the original lease between  
5 Milwaukee County and the Children's Hospital of Wisconsin for land on the  
6 County Grounds, which will be used for their primary hospital.

7

8 WHEREAS, the County Board approved the original policy to lease  
9 land on the County Grounds to Children's Hospital of Wisconsin (CHW) for a  
10 lease payment of \$1 per year in order to permit them to construct their new  
11 hospital as part of the Milwaukee County Regional Medical Center (MCRMC)  
12 in November of 1982 (File No. 81-658); and

13 WHEREAS, this partnership has been very successful which has resulted  
14 in improved healthcare services and health research for Milwaukee County  
15 residents; and

16 WHEREAS, Milwaukee County has amended this agreement with CHW  
17 to provide for cost sharing for common services and expansions, such as a  
18 warehouse and new office building; and

19 WHEREAS, CHW has now requested an amendment to the original  
20 lease to add a parcel of land which was formerly used for Connell Avenue  
21 (now closed) for an addition to their hospital; now, therefore

22 BE IT RESOLVED, that Milwaukee County approves the request from  
23 CHW for a lease amendment with the following terms:

24 1. The boundaries of this additional land shall be as designated in a  
25 map which shall be attached and made part of this resolution,  
26 and that part of Connell Avenue shall be permanently closed

27 2. An agreement from the MCRMC members stating that they  
28 support the continued closure of Connell Avenue at this site

29 3. The payment by CHW of \$300,000 as a one-time administrative  
30 fee for entering into this lease amendment; and

31 BE IT FURTHER RESOLVED that the Milwaukee County Executive and the  
32 Milwaukee County Clerk are hereby authorized and directed to execute an  
33 amendment to the original Children's Hospital Lease as provided in this  
34 resolution; and

35 BE IT FURTHER RESOLVED that all departments are authorized and  
36 directed to take whatever actions necessary to carry out this agreement.

37

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** 6/4/12

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Amendment to Children's Hospital of Wisconsin's (CHW) initial lease

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input checked="" type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
|---|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	0	0
	Revenue	\$300,000	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

The adoption of this resolution will increase Milwaukee County's unanticipated revenue by \$300,000 in the year which it is entered into.

Department/Prepared By Glenn Bultman, Legislative Research Analyst

Authorized Signature

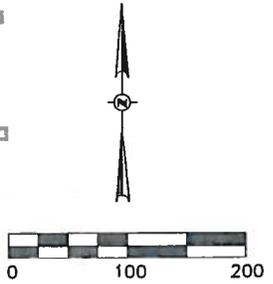
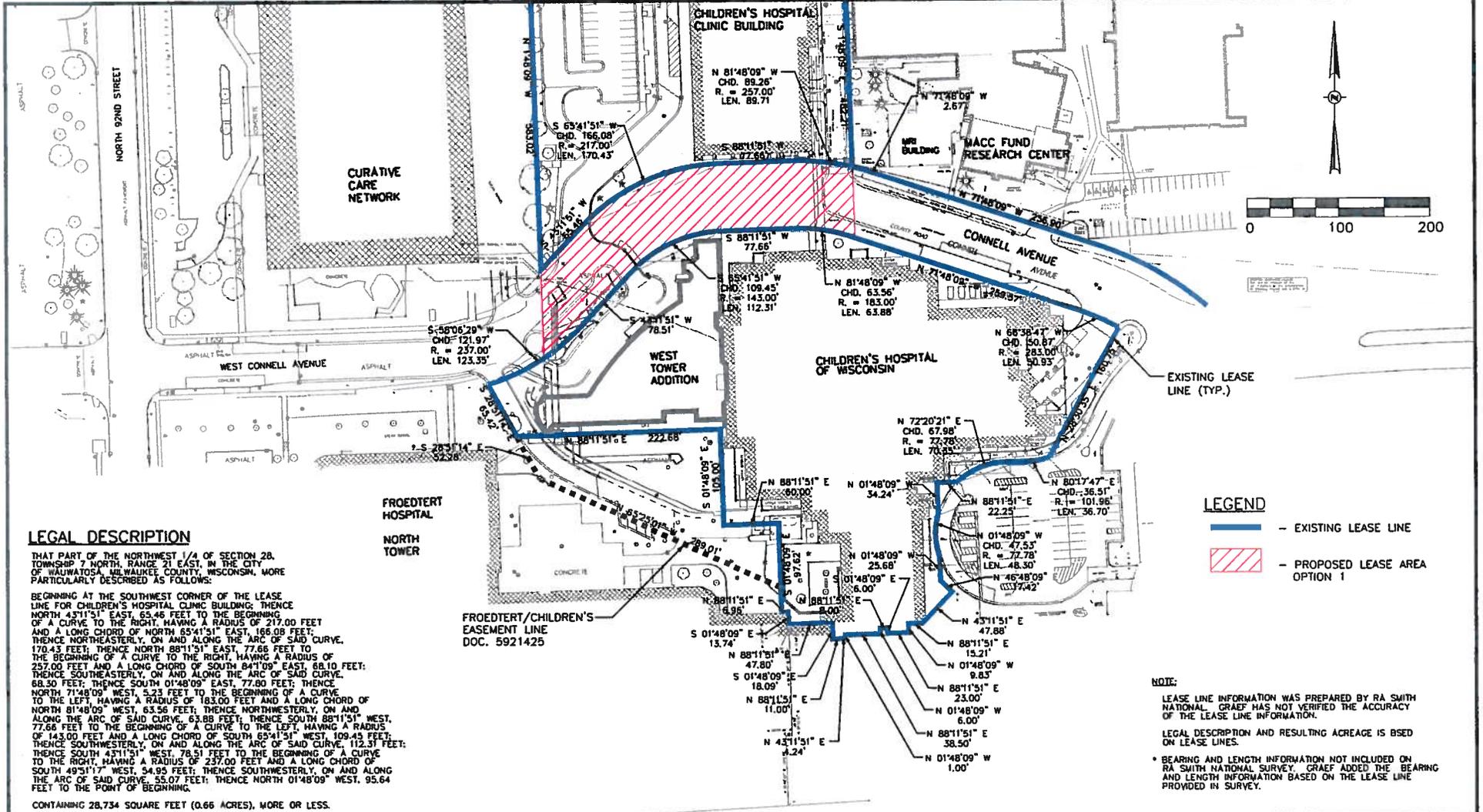
*Glenn Bultman*

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Did DAS-Fiscal Staff Review?

Yes

No



**LEGAL DESCRIPTION**

THAT PART OF THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 7 NORTH, RANGE 21 EAST, IN THE CITY OF WAUKATOSA, MILWAUKEE COUNTY, WISCONSIN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE LEASE LINE FOR CHILDREN'S HOSPITAL CLINIC BUILDING; THENCE NORTH 43°11'51" EAST, 65.46 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 217.00 FEET AND A LONG CHORD OF NORTH 85°41'51" EAST, 166.08 FEET; THENCE NORTHEASTERLY, ON AND ALONG THE ARC OF SAID CURVE, 170.43 FEET; THENCE NORTH 88°11'51" EAST, 77.66 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 257.00 FEET AND A LONG CHORD OF SOUTH 84°10'09" EAST, 88.10 FEET; THENCE SOUTHEASTERLY, ON AND ALONG THE ARC OF SAID CURVE, 68.30 FEET; THENCE SOUTH 01°48'09" EAST, 77.80 FEET; THENCE NORTH 71°48'09" WEST, 5.23 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, HAVING A RADIUS OF 183.00 FEET AND A LONG CHORD OF NORTH 81°48'09" WEST, 63.56 FEET; THENCE NORTHWESTERLY, ON AND ALONG THE ARC OF SAID CURVE, 63.88 FEET; THENCE SOUTH 88°11'51" WEST, 77.66 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, HAVING A RADIUS OF 143.00 FEET AND A LONG CHORD OF SOUTH 65°41'51" WEST, 109.45 FEET; THENCE SOUTHWESTERLY, ON AND ALONG THE ARC OF SAID CURVE, 112.31 FEET; THENCE SOUTH 43°11'51" WEST, 78.51 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 237.00 FEET AND A LONG CHORD OF SOUTH 49°51'17" WEST, 54.93 FEET; THENCE SOUTHWESTERLY, ON AND ALONG THE ARC OF SAID CURVE, 55.07 FEET; THENCE NORTH 01°48'09" WEST, 95.64 FEET TO THE POINT OF BEGINNING.

CONTAINING 28,734 SQUARE FEET (0.66 ACRES), MORE OR LESS.

**LEGEND**

- EXISTING LEASE LINE
- PROPOSED LEASE AREA OPTION 1

**NOTE:**

LEASE LINE INFORMATION WAS PREPARED BY RA SMITH NATIONAL. GRAEF HAS NOT VERIFIED THE ACCURACY OF THE LEASE LINE INFORMATION.

LEGAL DESCRIPTION AND RESULTING ACREAGE IS BASED ON LEASE LINES.

\* BEARING AND LENGTH INFORMATION NOT INCLUDED ON RA SMITH NATIONAL SURVEY. GRAEF ADDED THE BEARING AND LENGTH INFORMATION BASED ON THE LEASE LINE PROVIDED IN SURVEY.



PROJ. NUMBER: 2008-0111.01  
 DATE: 04-14-2010  
 PROJECT MGR: DJK  
 DRAWN BY: DAS  
 SCALE: 1" = 80'  
 REVISED:

CHILDREN'S HOSPITAL OF WISCONSIN  
 LEASE LINE DESCRIPTION EXHIBIT  
 OPTION 1

FIGURE

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**County of Milwaukee  
Interoffice Communication**

Date: June 4, 2012

To: Supervisor Gerry Broderick, Chair, Parks Energy and Environment Committee

From: Craig Kammholz, Fiscal and Budget Administrator, Department of Administrative Svcs

Subject: Due Diligence Report for Agreement with Journey House, Inc. for lease to Construct and Operate a Football Field within Mitchell Park

**Request**

The Department of Parks, Recreation, and Culture (Milwaukee County) requests approval to enter into an agreement with Journey House, Inc (Journey House) for the lease of land within Mitchell Park located at 524 South Layton Boulevard, Milwaukee, Wisconsin. The agreement would allow Journey House to construct and operate a football field within Mitchell Park.

Below is a summary of the terms of the lease agreement:

- Lease may be in place for a total of 30 years.
- Tenant pays a \$1 annual rental payment.
- Tenant will escrow the total amount of funds necessary for the construction and installation of the football field in advance of construction.
- Tenant agrees to establish an endowment fund in the amount of \$50,000 for ongoing maintenance and operation of the football field.
- Tenant has the authority to establish a fee schedule for use of the football field sufficient to cover ongoing operating costs.
- Tenant agrees to make the football field available to the public free of charge for at least four (4) hours a week.
- Tenant pays all utility costs, including installation and ongoing costs.
- Upon expiration or early termination of the Lease, the County shall acquire, free and clear at no cost, the title to the football field and any improvements made as well as equipment to maintain the field and any remaining endowment funds.

**Background**

Journey House is seeking a long-term lease agreement with Milwaukee County to install a football field turf, which was donated by the Green Bay Packers (the former Ray Nitschke Packers Practice Field in Green Bay, Wisconsin). Journey House proposes to use donations and grant funds to install and secure the football field as well as to create an initial endowment fund for the maintenance and operation of the field. Milwaukee County funds will not be used toward the construction or operation of the football field. In addition, Journey House will also charge user fees to recover the majority of the ongoing operations costs associated with the football field.

The installation and operation of the football field is envisioned as a two (2) phase project. Phase 1 is estimated at \$1 million for the installation of the donated Green Bay Packers practice field with goal posts and field markers as well as construction of a security fence around the field. Phase 2 is estimated at \$1.7 million and is considered field enhancements such as the following: stadium lights, bleachers, scoreboard, field entrance/pathway, parking, restrooms and a concession stand. Phase 2 also includes funding for the endowment fund.

**Project Budget**

<b>Journey House Football Field</b>	
Estimated Project Budget (financing provided from grants and donations to Journey House)	
<b>Expense</b>	
Phase 1	\$ 1,036,676
Phase 2	\$ 1,697,100
	<u>\$ 2,733,776</u>
<b>Revenue</b>	
Green Bay Packers Field Donation (In-Kind)	\$ 233,555
NFL USFC Grassroots Field Installation Grant*	\$ 200,000
Benidt Foundation Gift**	\$ 750,000
	<u>\$ 1,183,555</u>
<b>Surplus/(Deficit)</b>	<u>\$ (1,550,221)</u>
*Expires December 31, 2012	
**To be received according to the following schedule: May 2012 \$200,000, May 2013 \$275,000, May 2014 \$275,000	

Journey House anticipates the football field will be a catalyst to bring about many positive outcomes for the community such as youth development, increased safety of Mitchell Park and surrounding neighborhood, job creation, and economic development.

**Review & Analysis**

The Department of Administration - Fiscal Affairs (DAS) has reviewed the draft proposal from Journey House and prepared the analysis that follows. At this time, review and approvals related to this lease agreement have not been provided from Corporation Counsel or Community Business Development Partners.

The initial term of the proposed lease agreement is for fifteen (15) years with an additional fifteen (15) year extension at the same terms and conditions as the initial term. Milwaukee County will receive an annual rental payment of \$1 for the lease of the land.

Per the terms of the proposed lease agreement, Journey House will escrow the total amount of funds necessary to construct and install the football field and provide proof that the total amount of funds has been escrowed for this purpose prior to the start of any construction activities.

Journey House has proposed to charge ongoing fees for the use of the football field. Per the agreement, the reasonableness of such fees shall be determined by Journey House in relation to the long-term financial sustainability of Journey House's operation of the property. Journey House also recognizes that public use of the football field is desirable and therefore agrees to make the facility available to the public free of charge for at least four (4) hours per week.

Upon expiration or the early termination (due to a variety of reasons including default) of the lease, the County will acquire, free and clear, title to the football field including all alterations, improvements, and any assets remaining in the endowment fund.

### **Recommendation**

Based upon review of the available information, DAS does not object to the approval of the draft lease agreement, should all of the following conditions be addressed.

In order to provide better safeguards to the County:

1. The initial term of the lease should be shortened to 10 years, with four optional extensions of 5 years each. Terms and conditions for each renewal should be subject to negotiation and approval by both Journey House and the County. As stated above, the current lease consists of two 15 year terms, with renewal at the current terms and conditions at the discretion of the Journey House only.
2. The Journey House endowment fund for major maintenance and operational improvements should be established as two distinct restricted funds. A restricted fund for major maintenance reduces the risk that the County will be the responsible for major maintenance items as funds will be dedicated solely for that purpose and cannot be expended for any operational improvement enhancements.
3. Given the long term nature of the lease agreement, the minimum threshold amount for major maintenance should be based upon the long-term maintenance needs of the facility. Presently the lease agreement establishes a \$50,000 minimum threshold.
4. Ensure that the minimum number of hours dedicated for free public access be maximized beyond the four hour weekly minimum by Journey House, to the extent practical.
5. Establish a revenue sharing agreement between Journey House and the County based on expected profits from admission/rental of the football field facility. Proceeds realized under the agreement should be restricted and used only to

supplement the restricted fund for major maintenance, thereby providing an added safeguard to the County.

  
\_\_\_\_\_  
Craig Kammholz, Fiscal and Budget Administrator

pc: Chris Abele, County Executive  
Supervisor Marina Dimitrijevic, Chair, County Board of Supervisors  
Amber Moreen, Chief of Staff, County Executive's Office  
Kelly Bablitch, Chief of Staff, County Board of Supervisors  
Sue Black, Director, Department of Parks, Recreation and Culture  
Patrick Farley, Director, Department of Administrative Services  
Jessica Janz-McKnight, Research Analyst, County Board  
Stephen Cady, Fiscal and Budget Analyst, County Board  
Paul Kuglitsch, Contracts Services Officer, Department of Parks, Recreation, & Culture

**COUNTY OF MILWAUKEE**  
**Department of Health and Human Services**  
Inter-Office Memorandum

**DATE:** April 25, 2012

**TO:** Marina Dimitrijevic, Chairwoman - Milwaukee County Board of Supervisors

**FROM:** Héctor Colón, Director, Department of Health and Human Services  
*Prepared by James Mathy, Housing Administrator, Housing Division*

**SUBJECT: Report from the Director, Department of Health and Human Services, Requesting Approval of the updated Administrative Plan for the Housing Choice Voucher Program**

**Background**

The Director, Department of Health and Human Services (DHHS) is requesting approval of an updated Administrative Plan for the Housing Choice Voucher Program (HCVP) for the Housing Division. The HCVP provides rental assistance to eligible families in Milwaukee County and currently assists more than 1,700 families. The rules and regulations of HCPV are determined by the U.S. Department of Housing and Urban Development (HUD). Each individual program is afforded choices in regards to its policy, which are included in the Administrative Plan. The purpose of the Administrative Plan is to establish policies for carrying out the program in a manner consistent with HUD requirements and also incorporate goals and objectives specific to the local program. The Administrative Plan is the core of the program, providing consistency, clarity and guidance for the participants, program staff and the community. DHHS is now requesting that the County Board approve the revised Administrative Plan for the HCVP program.

**Discussion**

The current HCVP Administrative Plan was drafted and adopted in 1999. An updated plan was recommended by members of the local HUD field office and Milwaukee County's Audit Department in a 2010 audit. Therefore, the DHHS Housing Division has worked to complete a full updated revision of the HCVP Administrative Plan, which incorporates current federal regulations, HUD guidelines, as well as program specific policies. To ensure a comprehensive plan is in compliance with HUD Guidelines and Federal Regulations, a model plan was used along with the services of an outside consultant.

Due to the fact that the Administrative Plan is such a fundamental part of the HCVP, the Division has sought feedback from staff and program participants by posting a draft on the Milwaukee County website and sending a mailing to all landlords and tenants participating in the program advising them of the online posting. The Division also invited all of the landlords to come to the office to view the proposed plan and has encouraged feedback via written submission or by attending the program's Annual Resident Advisory Board meeting on April 30, 2012. The Advisory Board was recently created to promote HUD best practices.

A solid Administrative Plan is vital for the success of the HCVP. The updated and improved plan will contribute to the program in the following ways:

- The updated Administrative Plan will serve as a valuable resource to the HCVP staff. This is a highly regulated program which lends to confusion, inconsistency and incorrect determinations. The Plan incorporates federal regulations, HUD guidelines and program policies in one comprehensive directive, offering clarification and guidance to staff, and assisting in their decision making.
- The updated Administrative Plan will aid in the consistent application of policy among program participants. Staff will have the ability to refer program participants to a written resource in support of their decisions. The previous Plan does not provide substantial support for these disputes therefore the updated Plan will reduce the volume of informal hearings and allow the program to remove participants that are not adhering to program requirements. The Plan will facilitate proper implementation of program requirements providing a safeguard against fraud and program abuse.
- Program consistency will assist the Division in analyzing funding and making appropriate decisions for program maintenance being mindful of the program goals of efficiency and equitable fund distribution.
- With the advice of a professional consultant, the proposed policies are well thought out and have the budget and program goals in mind. Implementation of these improved procedures will streamline processes and distribute funds in a manner that allows the Division to assist more families with existing staffing and funding.

The updated Administrative plan reinforces current verbal policies and procedures and also institutes program changes. Some of the most evident changes include:

- The subsidy standards will assign one bedroom for each two persons within the household (with exception of persons of the opposite sex other than spouses and children under the age of 5). The current subsidy standard results in additional bedrooms being assigned because of age/gender. Subsidy amounts are based upon number of bedrooms assigned. Families will always be allowed to rent a unit with more bedrooms as long as it is within the granted payment standard. The tighter subsidy standard guidelines will allow the program to assist additional low income families. This is important due to the lengthy waiting list for the HCVP.
- The updated Administrative Plan contains clear language in regards to participant obligations. Written expectations and well-defined consequences will aid the staff in the enforcement of program guidelines. Written policy protects the program against fraud and abuse.
- Procedural changes will result in a more streamlined process. This efficiency will assist staff in meeting payment deadlines.

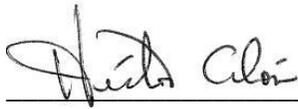
For all of these reasons, it is crucial that Milwaukee County's Housing Choice Voucher Program operate under an updated and improved Administrative Plan. Board approval of the plan is required by HUD. Upon board approval, the Administrative plan will be submitted to HUD for their review.

**Recommendation**

The Director, Department of Health and Human Services, recommends that the County Board of Supervisors approve the Housing Choice Voucher Program Administrative Plan.

**Fiscal Effect**

There is no anticipated fiscal effect as a result of this approval.



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Héctor Colón, Director  
Department of Health and Human Services

cc: County Executive Chris Abele  
Amber Moreen, County Executive's Office  
Tia Torhorst, County Executive's Office  
Terry Cooley, County Board  
Kelly Bablich, County Board  
Patrick Farley, Director, DAS  
Craig Kammholz, Fiscal & Budget Administrator, DAS  
CJ Pahl, Assistant Fiscal & Budget Administrator, DAS  
Antionette Thomas-Bailey, Fiscal & Management Analyst, DAS  
Glenn Bultman, Analyst, County Board Staff

1  
2  
3 (ITEM ) Report from the Director, Department of Health and Human Services, requesting  
4 approval of the updated Administrative Plan for the Housing Choice Voucher Program  
5

6 **A RESOLUTION**

7 WHEREAS, the purpose of the Housing Choice Voucher Program is to provide  
8 rental assistance to eligible families; and  
9

10 WHEREAS, the current HCVP Administrative Plan was drafted and adopted in  
11 1999; and  
12

13 WHEREAS, an updated Plan was recommended by members of the local HUD  
14 field office and Milwaukee County's Audit Department in a 2010 audit; and  
15

16 WHEREAS, the proposed Plan and was submitted for comment to the Annual  
17 Resident Advisory Board meeting on April 30, 2012; and  
18

19 WHEREAS, the updated Plan will aid in the consistent application of policy  
20 among program participants and provide a safeguard against fraud and program abuse;  
21 and  
22

23 WHEREAS, the updated Plan will allow the program to assist additional low income  
24 families off of the waiting list; now, therefore,  
25

26 BE IT RESOLVED, the County Board of Supervisors authorizes the Director, Department  
27 of Health and Human Services, or his designee to submit the updated Administrative Plan  
28 to HUD; and  
29

30 BE IT FURTHER RESOLVED, the County Board of Supervisors approves the updated  
31 Administrative Plan for the Housing Choice Voucher Program.  
32  
33

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** April 25, 2012

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** From the Director of the Department of Health and Human Services (DHHS), Requesting Approval of the updated Housing Choice Voucher Program (HCVP) Administrative Plan for the DHHS Housing Division

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds       |
| <input type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Director of the Department of Health and Human Services (DHHS) is requesting approval of the updated Housing Choice Voucher Program (HCVP) Administrative Plan for the DHHS Housing Division. The purpose of the Administrative Plan is to establish policies for carrying out the program in a manner consistent with U.S. Department of Housing and Urban Development (HUD) requirements and also incorporate goals and objectives specific to the local program. The Administrative Plan is the core of the program, providing consistency, clarity and guidance for the participants, program staff and the community.

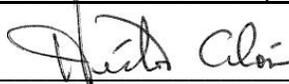
B. There is no direct fiscal impact resulting from approval of the Administrative Plan. The current HCVP Administrative Plan was drafted and adopted in 1999. An updated plan was recommended by members of the local HUD field office and Milwaukee County's Audit Department in a 2010 audit.

C. There is no 2012 tax levy impact associated with approval of this request.

D. No further assumptions are made.

Department/Prepared By Thomas F. Lewandowski, Fiscal & Management Analyst

Authorized Signature



<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Did DAS-Fiscal Staff Review?

Yes

No

**COUNTY OF MILWAUKEE**  
**INTER-OFFICE COMMUNICATION**

**DATE:** May 23, 2012

**TO:** Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

**FROM:** Héctor Colón, Director, Department of Health and Human Services  
*Prepared by James Mathy, Housing Administrator*

**SUBJECT: Report from the Director, Department of Health and Human Services, requesting authorization to reallocate \$30,000 of Community Development Block Grant public service funds to Jewish Family Services (JFS) for the purpose of providing peer support at Bradley Crossing**

**Issue**

The Director of the Department of Health and Human Services (DHHS) is requesting approval to reallocate \$30,000 of Community Development Block Grant public service funds to Jewish Family Services (JFS) for the purpose of providing peer support at Bradley Crossing, a permanent supportive housing development located at 4375 W. Bradley Road in the Village of Brown Deer. It is scheduled to open in October 2012.

**Background**

Bradley Crossing is a 60-unit housing development in which 30 units are set-aside for disabled individuals. The development will be one of two permanent supportive housing developments currently under construction that will be located outside the City of Milwaukee. For those who are disabled, the goal of Bradley Crossing is to provide a stable home-like environment that promotes maximum independence and wellbeing for its residents. The project has already received WHEDA Low Income Housing Tax Credits and had been previously awarded Milwaukee County HOME and Section 8 Project Based Rental Assistance.

JFS recognizes the importance of peer specialists and the role they play in recovery for those with a mental illness. Peer support services at Bradley Crossing will be used to enhance the services that JFS already provides for consumers of their agency. These services can range from basic home management support to outpatient mental health services. CDBG funds, if approved, would be used to provide approximately 40 hours a week of on-site peer support services. Peer specialists have been employed at a majority of the permanent supportive housing developments in Milwaukee County and this model has proven to be very successful.

For this project, JFS plans to partner with Stay In Balance, a peer run non-profit that currently provides on-site supportive services at Farwell Studios, a permanent supportive housing development on the East side of Milwaukee. Stay In Balance's program is designed to help individuals clearly define their personal recovery goals and determine their individual objectives. The focus is on mental health recovery by increasing individual involvement (empowerment) in treatment, life planning and decision-making. Stay In Balance employs a

person-centered approach to mental health and strives to help consumers increase their involvement in their recovery. JFS chose to partner with Stay In Balance, as they are the only peer run non-profit providing this service.

The use of CDBG funds for the purposes of employing peer specialists fits with the current goals of the Milwaukee County Mental Health Redesign effort. Two of the major goals from the Community Linkages Committee were to expand permanent supportive housing and employ additional peer specialists. That Committee strongly supports the reallocation of CDBG funds for this purpose.

The use of CDBG funds for this project is eligible under HUD guidelines. These services will be exclusively used by low-income Brown Deer residents of Bradley Crossing that have a disability. Due to the nature of the project, it is categorized as a public service project under CDBG guidelines. HUD regulations state that only 15% of CDBG funds may be used for public service projects. The Department has determined that there are enough reallocated public service funds on hand to recommend the funding for this project.

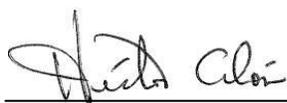
JFS does have a source of funds identified to continue funding this service once the CDBG funds expire. JFS Housing, Inc., is planning to establish an Endowment Fund that would generate annual income to provide services such as peer support at Bradley Crossing and Deerwood Crossing, fitness classes, nutritional services, job coaching, and socialization programs for seniors and people with disabilities. The JFS Housing Board is reviewing this issue and will likely approve moving forward with a campaign to establish the Endowment Fund this year.

### **Recommendation**

The Director, Department of Health and Human Services, recommends that the County Board of Supervisors approve the reallocation of \$30,000 in Community Development Block Grant (CDBG) funds to Jewish Family Services for the purpose of providing peer support at Bradley Crossing, a permanent supportive housing development located at 4375 W. Bradley Road in the Village of Brown Deer.

### **Fiscal Impact**

Sufficient funds have been identified in CDBG funds for reallocation for public service projects. A fiscal note form is attached.



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Héctor Colón, Director  
Department of Health and Human Services

cc: County Executive Chris Abele  
Tia Torhorst, Legislative Affairs Director, County Executive's Office  
Kelly Bablich, Chief of Staff, County Board  
Pat Farley, Director - DAS  
Craig Kammholz, Fiscal & Budget Administrator, DAS  
CJ Pahl, Assistant Fiscal & Budget Administrator, DAS  
Antionette Thomas-Bailey, Fiscal & Management Analyst, DAS  
Glenn Bultman, Analyst, County Board Staff  
Janelle Jensen, Committee Clerk

1 The Director of the Department of Health and Human Services (DHHS) is requesting approval to  
2 reallocate \$30,000 of Community Development Block Grant public service funds to Jewish Fam-  
3 ily Services (JFS) for the purpose of providing peer support at Bradley Crossing, a permanent  
4 supportive housing development located at 4375 W. Bradley Road in the Village of Brown Deer.  
5 It is scheduled to open in October 2012

6  
7 **A RESOLUTION**  
8

9 WHEREAS, the Housing Division within DHHS routinely obtains services from private, non-  
10 profit community providers to serve the needs of persons in the community; and

11  
12 WHEREAS, Bradley Crossing is a 60-unit housing development in which 30 units will be set-  
13 aside for disabled individuals and is one of two permanent supportive housing developments  
14 currently under construction outside the City of Milwaukee; and

15  
16 WHEREAS, the goal of Bradley Crossing is to provide a stable home-like environment that  
17 promotes maximum independence and wellbeing for its residents; and

18  
19 WHEREAS, Jewish Family Services recognizes the importance of peer specialists and the  
20 role they play in recovery for those with a mental illness and Peer support services at Bradley  
21 Crossing will be used to enhance the services that JFS already provides for consumers of their  
22 agency; and

23  
24 WHEREAS, the re-allocated CDBG funds would be used to provide approximately 40 hours  
25 a week of on-site peer support; and

26  
27 WHEREAS, the use of CDBG funds for this project is eligible under HUD guidelines and these  
28 services will be exclusively used by low-income Brown Deer residents of Bradley Crossing that  
29 have a disability; and

30  
31 WHEREAS, due to the nature of the project, it is categorized as a public service project un-  
32 der CDBG guidelines; and

33  
34 WHEREAS, funds sufficient to cover the expenditures associated with this initiative are  
35 available to be re-allocated from the CDBG surplus balance, which is comprised of funding from  
36 cancelled projects going back a number of years; now, therefore,

37  
38 BE IT RESOLVED, that the County Board of Supervisors authorizes the Director, DHHS, or his  
39 designee, to reallocate \$30,000 in Community Development Block Grant (CDBG) funds to Jew-  
40 ish Family Services for peer support services for residents of the supportive housing community  
41 known as of Bradley Crossing.

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 5/23/12

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** From the Director, Department of Health and Human Services, requesting authorization to reallocate \$30,000 in Community Development Block Grant (CDBG) funds to Jewish Family Services for peer support services for residents of the supportive housing community known as of Bradley Crossing

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds       |
| <input type="checkbox"/> Increase Operating Revenues   |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Director of the Department of Health and Human Services (DHHS) is requesting authorization to reallocate \$30,000 in Community Development Block Grant (CDBG) funds to Jewish Family Services for peer support services for residents of the supportive housing community known as of Bradley Crossing.

B. Total 2012 expenditures included in this request are \$30,000. The use of CDBG funds for this project is eligible under HUD guidelines. These services will be exclusively used by low-income Brown Deer residents of Bradley Crossing that have a disability. Due to the nature of the project, it is categorized as a public service project under CDBG guidelines. HUD regulations state that only 15% of CDBG funds may be used for public service projects. The Department has determined that there are enough reallocated public service funds on hand to recommend the funding for this project.

C. There is no tax levy impact associated with approval of this request in 2012. Funds sufficient to cover the expenditures associated with this initiative are available to be re-allocated from the CDBG surplus balance, which is comprised of funding from cancelled projects going back a number of years.

D. No assumptions are made.

Department/Prepared By Thomas F. Lewandowski, Fiscal & Management Analyst

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.



## COUNTY OF MILWAUKEE

## Inter-Office Communication

**DATE:** May 25, 2012

**TO:** Supervisor Patricia Jursik, Chairperson, Economic and Community Development Committee

**FROM:** Héctor Colón, Director, Department of Health and Human Services  
*Prepared by Damon Dorsey, CDBG Program Coordinator, Housing Division*

**SUBJECT:** **Informational Report from the Director, Department of Health and Human Services, Regarding the CDBG Program**

**Issue**

At the May meeting of the Economic Community Development Committee, more information regarding the Community Development Block Grant (CDBG) program was requested including the Suburban Adjustment and the evaluation process and scoring systems used to select eligible projects. This report provides additional information for the Committee.

**Discussion**

As part of the annual Community Development Block Grant (CDBG) process, all applicants were invited to attend a public hearing and present their proposals to the Economic and Community Development Committee on March 5, 2012. For 2012 funds, a new review process was put in place by staff to objectively rank projects based on a scoring system to make final recommendations. A panel was arranged to score each project based on this system. The panel members were chosen due to their vast experience with CDBG regulations. The panel consisted of two Housing Program Coordinators, Milwaukee County Housing Division; a representative from the City of Milwaukee Community Development Grants Administration; and a representative from the City of West Allis.

***Suburban Adjustment***

The \$44,964 recommended transfer from the municipal allocation to the at-large allocation can be allocated to a project that is eligible for CDBG funding in the Milwaukee County CDBG jurisdiction.

***CDBG Evaluation/Scoring Process***

In order to be considered for funding, CDBG proposals must meet the following criteria:

- Provide all the required application material (audit, board member list)
- Be an eligible HUD CDBG activity
- Primarily benefit residents of the Milwaukee County CDBG jurisdiction
- Address one of the funding priority areas established in the Milwaukee County Consolidated Plan
- Not be a HUD listed debarred or ineligible contractor

- If CDBG eligible, meet one of the three national objectives

There is a three-phased process that aims to ensure that proposals meet all of the above criteria for the 2012 CDBG allocation process. Following is a description of each phase:

**Phase I - Determine Project Eligibility:** Housing Division staff reviews all proposed projects to determine the following:

- Sufficient information from applicant describing the project; project location, population served, proposed budget, schedule of work
- Sufficient information from applicant on agency information; mission, non-profit determination, articles of incorporation/by-laws, audit, board and staff list.
- Proposed projects must meet the following Funding Eligibility requirements
  - There will be a three-year limit on funding of public service projects. Because of limited funding in the Public Service category a maximum of five projects will be funded. (Only 15% of the total grant is available to fund Public Service projects.)
  - No for-profit organizations will be directly funded.
  - No improvements or rehabilitation will be funded for leased facilities unless the facility is owned by a non-profit group.
  - No non-County governmental organizations will be funded.
  - There will be no funding for the arts, except rehabilitation of a facility related to the arts, subject to Item 4 above.
  - There will be no direct funding of child day care centers. Facilities that are multi-purpose centers but include child day care can apply for funding for facilities that are not used for day care.
  - Facilities used as alternative public schools will not be funded.
  - Funds cannot be used for community organizing.
  - Non-profit agencies that have not been in existence and providing services for at least two years will not be funded.
  - No non-profit organization already receiving funding from Milwaukee County, will be eligible for CDBG funding.
- Proposed projects must be eligible activities based on the “Project Eligibility List” provided in the CDBG Application.

Organizations submitting proposals were invited to present projects at the public hearing only if the proposed project was determined to be “eligible” for CDBG funding based on the above criteria

**Phase II – Determine National Objective and Jurisdictional Impact:** Housing Division staff will determine whether a proposed activity meets a National Objective and primarily serves the Milwaukee County Jurisdiction by reviewing the following information:

- Applicant’s record for documenting service to low/moderate income residents.
- Applicant’s information for serving “presumed groups” in the Milwaukee County jurisdiction.

- Applicant’s record for serving jurisdiction, based on documentation from previous CDBG awards.
- Applicant’s service or target area.
- Applicant’s partnerships with any of the 16 municipalities of the Milwaukee County CDBG jurisdiction.

***Activities not meeting a National Objective or not primarily benefiting the Milwaukee County jurisdiction will be disqualified.***

**Phase III – Rate Applications:** Staff will review and rate all proposed activities based on the following criteria:

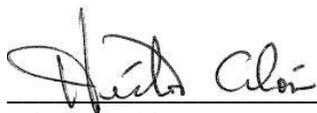
<b>Application Review Criteria</b>	
<b>Item</b>	<b>Available Points</b>
1. Need and Justification	15
2. Benefit to Low-and-Moderate Income	5
3. Program/Project Approach	24
4. Jurisdiction	20
5. Experience and Qualifications	16
6. Program Budget and Other Sources of Funds	5
7. Past Performance	15
<b>TOTAL POINTS</b>	<b>100</b>

1. **Need and Justification (15 points maximum):** The proposed activity overview adequately describes the problem that is being addressed by the proposed project (worth up to 5 points). Statements are substantiated and related to the needs and the priorities in the 2010 – 2014 Consolidated Plan (worth up to 5 points). Provides a description of how funds may be targeted to areas of greatest need (worth up to 10 points)
2. **Benefit to Low-and-Moderate Income Persons (5 points maximum):** The application describes the population to be served. Additional points will be given to projects located in census tracts where 42.9% of the population is considered low-and-moderate income.
3. **Project Approach (24 points maximum):** The application describes what the program/project will do; how it will be implemented, operated, and administered within a realistic time period; and how low-income participants will access services. The description should include:
  - A description of the work that will be undertaken and a description of how the work will address the identified problem (worth up to 10 points).
  - Identifies any partnerships that have been or will be formed to ensure the success of the project. (worth up to 5 points).

- A work plan for how the project/program will be organized, implemented, operated, and administered, and the timeline and milestones from initiation to completion. Work on the project – meaning funds will be spent – will begin 2012 (worth up to 5 points).
  - Outreach and marketing initiatives that will be implemented to inform potential participants and to ensure that they are aware of the services/activities to be provided (worth up the 5 points.)
  - Outcomes are identified and can reasonably be expected to be achieved (worth up to 3 points).
4. **Jurisdiction (20 points maximum):** The degree to which the proposed project served residents in the Milwaukee County CDBG jurisdiction. The greater the jurisdictional impact the higher the score.
  5. **Experience and Qualifications (16 points maximum):** The application provides documentation to justify the organization's capacity to conduct this project. The project is consistent with the mission of the organization. The organization has undertaken projects of similar complexity to the one for which funds are being required (worth up to 3 points). There are staff resources with the skills and experience to administer and conduct an accountable and responsible project (worth up to 10 points). There appears to be adequate board and management oversight along with a commitment to quality and service improvement (worth up to 2 points).
  6. **Budget and Other Sources of Funds (5 points maximum):** The application clearly explains and justifies each proposed budget line item and why CDBG and/or HOME funding is required to make the project viable. The budget is realistic. Efforts have been made to secure other funding for the project. The application identifies eligible sources of match, if required.
  7. **Past Performance (15 points maximum):** If the organization has been previously funded, a review of past expenditures and performance shows that the organization has been able to meet timeous and goals in a reasonable fashion, i.e., no unexpended dollars from 2010. Compliance with the contract will include but not be limited to submission of reports and adherence to scope of services (Worth up to 10 points with maximum points being awarded to projects.)

### Recommendation

This is an informational report. No action is necessary.



Héctor Colón, Director  
Department of Health and Human Services

cc: County Executive Chris Abele  
Tia Torhorst, County Executive's Office

Kelly Bablitch, County Board  
Patrick Farley, Director, DAS  
Craig Kammholz, Fiscal & Budget Administrator, DAS  
CJ Pahl, Assistant Fiscal & Budget Administrator, DAS  
Antionette Thomas-Bailey, Fiscal & Management Analyst, DAS  
Glenn Bultman, Analyst, County Board Staff

**COUNTY OF MILWAUKEE  
INTER-OFFICE COMMUNICATION**

**DATE:** May 23, 2012

**TO:** Supervisor Patricia Jursik, Chairperson, Economic & Community Development Committee

**FROM:** Héctor Colón, Director, Department of Health and Human Services  
*Prepared by James Mathy, Housing Administrator*

**SUBJECT:** **An informational report from the Director, Department of Health and Human Services, providing an update on the new sub-recipient manual for the Community Development Block Grant and HOME programs**

**Issue**

The Housing Division has created a sub-recipient manual for all organizations that will be receiving Milwaukee County Community Development Block Grant (CDBG) and HOME dollars. This manual outlines policies and procedures to ensure that all sub-recipients have an understanding of HUD regulations as well as the expectations of Milwaukee County.

**Background**

Since the 1980s, Milwaukee County has been designated an “Urban County” and has been the recipient of CDBG funds. In 1990, Milwaukee County formed a consortium with West Allis and Wauwatosa to participate in the HOME Investment Partnership. Milwaukee County uses these funds to enhance the community and improve the quality of life for all qualifying Milwaukee County residents within the boundaries of the Urban County jurisdiction, based on the goals adopted in the County's Five Year Consolidated Plan, as approved by the U.S. Department of Housing and Urban Development (HUD).

***Community Development Block Grant Program***

In 1974 the U.S Congress established the Community Development Block Grant Program through the enactment of the Federal Housing and Community Development Act. The program was created to enhance and maintain viable urban communities. The program gives communities an avenue to address a wide range of issues. Activities undertaken must accomplish at least one of three goals for low-to-moderate income individuals; 1) provide decent housing, 2) provide suitable living environments, and/or 3) expand economic activities. Eligible activities include:

- Acquisition of real property for an eligible use
- Acquisition, construction, and rehabilitation of public facilities
- Demolition and clearance of deteriorated buildings
- Community services for low-to-moderate income households
- Removal of barriers that restrict the mobility of disabled persons
- Rehabilitation of housing for low-to-moderate income households

### ***HOME Program***

The HOME Investment Partnership Program was created in 1990 through the Cranston-Gonzalez Affordable Housing Act. The sole purpose of this program is to create affordable housing for low-income individuals. HOME activities undertaken must accomplish at least one of two goals for low-income individuals; 1) Provide decent housing and/or 2) provide suitable living environments.

However, unlike CDBG, the HOME program requires a matching requirement for each dollar awarded to the participating jurisdiction. Milwaukee County's match requirement is 25%. Eligible activities include:

- Direct homebuyer assistance in the form of down payment costs and closing costs
- Construction, rehabilitation and/or reconstruction of single family homes
- Acquisition and/or rehabilitation costs of affordable rental housing
- Tenant-based rental assistance

### ***Sub-recipient Manual***

The purpose of the sub-recipient manual is to provide management support to CDBG and HOME sub-recipients, while ensuring that all sub-recipients adhere to federal and Milwaukee County grant rules and regulations. This manual is designed to help sub-recipient agencies understand the requirements that apply to the use of federal funds for the delivery of CDBG and HOME programs and activities. It is a supplement to applicable regulations, standards, and policies. The basic program regulations governing management and financial systems for the CDBG and HOME programs are contained in the Code of Federal Regulations Title 24 (24 CFR) and various OMB Circulars.

The manual discusses the financial management responsibilities of agencies receiving CDBG funds. These responsibilities include internal controls, accounting regulations, allowable costs and proper financial reporting. Clear standards for procurement are included. These standards cover the specific bidding process set forth by HUD as well as language addressing Milwaukee County's specific Disadvantaged Business Enterprise (DBE) policy.

Labor standards are also addressed in the manual. The Davis-Bacon Act states that contracts in excess of \$2,000 for construction, alterations, and/or repairs including printing and decorating that employ laborers and/or mechanics must adhere to the federal fair labor and wage requirements as established by the act. Davis-Bacon does not, however, apply to rehabilitation or construction or residential structures containing less than eight units for CDBG and 12 units for HOME.

To eliminate past confusion over the eligibility of certain CDBG projects, there are specific guidelines to address national objectives, income eligibility, and jurisdictional requirements. Each CDBG assisted activity must meet one of the CDBG program's broad National Objectives. The sub-recipient is responsible for ensuring that the meeting of the National Objective is documented. It is, therefore, extremely important to determine at the outset whether or not a

project or activity meets at least one of the National Objectives of the program. Housing Staff will review projects to ensure they meet one of the following criteria:

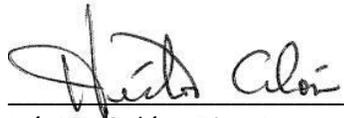
- Benefits low and moderate income people
- Aids in the prevention or elimination of slums or blight

Unless a proposed project meets one of the objectives, it will not be considered for funding. CDBG applications must document how each funded activity will principally benefit low and moderate income persons (defined as households that are at or below 80% of Area Median Income). The manual also clearly states that all sub-recipients must serve residents of Milwaukee County's jurisdiction that excludes the City of Milwaukee, Wauwatosa, and West Allis.

Sub-recipients will be required to submit quarterly reports detailing their progress toward the use of CDBG. This ensures Milwaukee County that all sub-recipients are actively spending down their funds according to HUD regulations. These reports will be a part of increased monitoring of projects moving forward. Staff will review all files for eligibility requirements and will not reimburse sub-recipients for activities without all the proper documentation.

**Recommendation**

This is an informational report. No action is necessary.



Héctor Colón, Director

Department of Health and Human Services

Cc: County Executive Chris Abele  
Tia Torhorst, Legislative Affairs Director, County Executive's Office  
Kelly Bablich, Chief of Staff, County Board  
Pat Farley, Director - DAS  
Craig Kammholz, Fiscal & Budget Administrator, DAS  
CJ Pahl, Assistant Fiscal & Budget Administrator, DAS  
Antionette Thomas-Bailey, Fiscal & Management Analyst, DAS  
Glenn Bultman, Analyst, County Board Staff  
Janelle Jensen, Committee Clerk

**COUNTY OF MILWAUKEE**  
**Department of Health and Human Services**  
INTER-OFFICE COMMUNICATION

**DATE:** May 23, 2012

**TO:** Supervisor Patricia Jursik, Chairperson, Economic & Community Development Committee

**FROM:** Hector Colon, Director, Department of Health and Human Services  
*Prepared by James Mathy, Housing Administrator, Housing Division*

**SUBJECT:** **An Informational Report from the Director, Department of Health and Human Services, presenting the proposed timetable for the 2013 Milwaukee County Community Development Block Grant (CDBG) Program Year**

**Issue**

As part of the annual Community Development Block Grant (CDBG) allocation process, Housing and Urban Development (HUD) requires that Milwaukee County, as the Administrator of the Milwaukee County CDBG Program, to produce an Annual Action Plan that is consistent with the five year (2010 – 2014) Consolidated Plan for the Milwaukee County Jurisdiction. The Annual Action Plan for the 2013 Program year is due to HUD no later than November 15, 2012.

HUD requires that the process for creating the Annual Action Plan include the following:

- 1) A citizen participation component that has at least two public hearings to allow sufficient opportunity to comment on the housing and community development needs of the Milwaukee County CDBG jurisdiction
- 2) Approval by the Milwaukee County Board of Supervisors and the County Executive of eligible projects and funding amounts that are included in the 2013 Annual Action Plan
- 3) A 30-day period for the public to provide comment on the 2013 Annual Action Plan, which must begin after the Board and County Executive approval
- 4) The 2013 Annual Action Plan be submitted to HUD no later than 45 days prior to the start of the 2013 program year (Jan 1, 2013), which would be November 16, 2012.

During this process the Housing Division staff will assist with soliciting proposals for eligible CDBG activities and will manage an objective and transparent process of reviewing and ranking proposals. Funding recommendations to the Economic and Community Development Committee will be based on this review process.

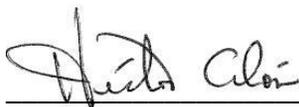
**Discussion**

The County expects to receive approximately \$1.2 million in CDBG funds for the 2013 program year. Of this amount, approximately \$1 million will be available for projects that will serve people with low to moderate income, residing in the Milwaukee County CDBG jurisdiction. The proposed schedule for approving CDBG funded activities for the 2013 Program Year and submitting the 2013 Annual Action Plan to HUD is as follows:

<b>June 18, 2012</b>	Public Hearing #1: Housing and Community Development General Needs (regularly scheduled committee meeting)
<b>June 25, 2012</b>	2013 Program Year Applications Available
<b>July 27, 2012</b>	Due Date for 2013 Applications
<b>September 17, 2012</b>	Public Hearing #2: Presentation of CDBG projects Community and Economic Development Committee meeting (regularly scheduled committee meeting)
<b>*September 24, 2012</b> <small>*Proposed date – requires ECD Chairperson approval</small>	Community and Economic Development Committee approval of allocation recommendations of CDBG and HOME funds for 2013 program year activities (special committee meeting)
<b>September 27, 2012</b>	County Board of Supervisors approves CDBG and HOME funds for 2013 program year activities (regularly scheduled full board meeting)
<b>September 28 – October 31, 2012</b>	Draft 2013 Annual Action Plan to be posted/available for the required 30-day public review and feedback period.
<b>November 2, 2012</b>	Submit 2013 Annual Plan to HUD (Plan due November 16, 2012).

**Recommendation**

This is an informational report. No action is necessary.



\_\_\_\_\_  
Héctor Colón, Director  
Department of Health and Human Services

Cc: County Executive Chris Abele  
Tia Torhorst, Legislative Affairs Director, County Executive's Office

Kelly Bablich, Chief of Staff, County Board

Pat Farley, Director - DAS

Craig Kammholz, Fiscal & Budget Administrator, DAS

CJ Pahl, Assistant Fiscal & Budget Administrator, DAS

Antionette Thomas-Bailey, Fiscal & Management Analyst, DAS

Glenn Bultman, Analyst, County Board Staff

Janelle Jensen, Committee Clerk

**COUNTY OF MILWAUKEE  
INTER-OFFICE COMMUNICATION**

**DATE:** June 8, 2012

**TO:** Supervisor Marina Dimitrijevic, Chairperson, County Board of Supervisors

**FROM:** Brian Taffora, Director - Division of Economic Development

**SUBJECT:** **2012 Milwaukee County Surveyor Services**

POLICY

The Director of the Department of Administrative Services (DAS) Division of Economic Development requests authority to execute an agreement, entered into by and between the Southeastern Wisconsin Regional Planning Commission and the Milwaukee County Automated Mapping and Land Information System (MCAMLIS) Steering Committee whereby the 'Commission' provides annual Milwaukee County Surveyor services as required under Section 59.74 of the Wisconsin Statutes.

BACKGROUND

The Milwaukee County Automated Mapping and Land Information System (MCAMLIS) Steering Committee approved an agreement at its 12/9/2011 meeting authorizing the Commission to 'act' in the capacity of the County Surveyor as described in Section 59.74 of the Wisconsin Statutes.

An RFP for County Surveyor services was not conducted. Justification for sole source is based upon Section 59.74 of the Wisconsin Statutes whereby the County Board is authorized to use SEWRPC in its role as 'acting' County Surveyor in the absence of a County Board appointed County Surveyor.

This agreement is entered into with the Regional Planning Commission 'acting' in its role as the County Surveyor as proscribed by Section 59.74 of the Wisconsin Statutes. Further under Wisconsin Statutes the Regional Planning Commission in its role as the 'acting' County Surveyor is assigned specific duties to be performed. These duties are as included under the Milwaukee County Surveyor services agreement.

Further noting that an agreement between Milwaukee County and the Regional Planning Commission has been in place since 1984 and as stated in the agreement MCAMLIS has been instructed by the County Board to continue to fund the County Surveyor work functions.

RECOMMENDATION

The Director of the Department of Administration recommends the County Board authorize the Director of Administration to execute the County Surveyor Agreement funded by MCAMLIS at a cost of \$78,719 or less.

Prepared by: William Shaw, MCAMLIS Project Manager

Approved by:

---

Brian Taffora, Director  
DAS-ECD

cc: County Executive Chris Abele  
Amber Moreen, Chief of Staff, County Executive's Office

1 From the Committee on .....

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File No. \*  
(Journal, \*)

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A RESOLUTION

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WHEREAS, by resolution adopted on November 8, 1990, the Milwaukee County Board of Supervisors, created the Steering Committee to provide oversight in the implementation of the Milwaukee County Automated Mapping and Land Information System recommended in SEWRPC Community Assistance Planning Report No. 177; and

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WHEREAS, the aforementioned Milwaukee County resolution adopted on November 8, 1990, further delegating to the Steering Committee full responsibility for all policy matters relating to the conduct of the work program, including proposed contracts and specifications and the selection of contractors; and

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WHEREAS, the Steering Committee approved at its 12/19/2011 meeting the agreement described herein between the Committee and the Commission authorizing the Commission to 'act' in the capacity of the Milwaukee County Surveyor as described in Section 59.74 of the Wisconsin Statutes; and

33

34

35

WHEREAS, under Section 59.74 of the Wisconsin Statutes, the Commission serves as the County Surveyor for Milwaukee County; and

36

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39

40

WHEREAS, under the requirements of this legislation, the Commission is responsible for receiving, indexing, and filing as a public record, a copy of each land survey plat prepared by a land surveyor registered in the State of Wisconsin; and

41

42

43

WHEREAS, under the further requirements of this legislation, the Commission is also made responsible for the perpetuation of the corners of the U.S. Public Land Survey which may be subject to destruction,

44 removal, or burial through construction or other activities and for  
45 maintaining a record of the surveys for such perpetuation; and

46

47 WHEREAS, the activities of the Milwaukee County Surveyor are  
48 essential to the development and maintenance of the Milwaukee County  
49 Automated Mapping and Land Information System (MCAMLIS); and

50

51 WHEREAS, the Milwaukee County Board of Supervisors has  
52 determined that the expenses associated with the Milwaukee County  
53 surveyor function should be paid from the annual operating budget of the  
54 MCAMLIS project; and

55

56 WHEREAS, Sections 66.0309 (12)(b) and 66.0301 of the Wisconsin  
57 Statutes authorize the Commission to enter into contracts with local units  
58 of government and their agents to make and implement studies and  
59 plans and to otherwise provide advice and services; and

60

61 NOW, THEREFORE, in consideration of these premises and of their  
62 mutual and dependent promises and agreements, the parties hereto  
63 contract and agree as follows:

64

65 I. Scope of Work

66 The Commission will provide the professional staff services as  
67 necessary to act in the capacity of County Surveyor for  
68 Milwaukee County pursuant to the provisions of Section  
69 59.45(1)2, 59.45(1)5, 59.74(2)(b)1, 59.74(2)(b)2 of the Wisconsin  
70 Statutes. More specifically, under this agreement, the  
71 Commission, acting in the capacity of the Milwaukee County  
72 Surveyor, will perform the following functions:

73

74 A. In cooperation with the MCAMLIS project staff, record and  
75 maintain a file of all land survey plats prepared by land  
76 surveyors for parcels in Milwaukee County. An estimated  
77 1,000 such land surveys are prepared and filed annually.  
78 Such surveys are essential to the maintenance effort  
79 required to keep the MCAMLIS cadastral maps up-to-  
80 date.

81

82 B. Perpetuate the corners of the U.S. Public Land Survey  
83 system throughout Milwaukee County. Such corners  
84 frequently are subject to destruction, removal, and burial  
85 through construction or other activities. The perpetuation  
86 work includes periodic inspection of the system of  
87 approximately 1,100 monuments and attendant reference

88 benchmarks and witness marks, the removal and/or  
89 replacement of such monuments and reference  
90 benchmarks and witness marks either directly or through  
91 the supervision of others conducting such activities, and  
92 undertaking both horizontal and vertical control surveys to  
93 ensure the integrity of the reference framework that is  
94 critical to the automated mapping base established for  
95 Milwaukee County. An estimated 100 monuments and  
96 benchmarks are serviced annually.

97  
98 C. Provide guidance and counsel to the Milwaukee County  
99 Automated Mapping and Land Information System  
100 Steering Committee through service on that committee.

101  
102 D. Provide technical support and guidance to the staff  
103 assigned to develop and maintain the Milwaukee County  
104 automated mapping and land information system  
105 program.

106  
107 II. Commission to Organize and Store Information Acquired by  
108 County Surveyor

109 In order to facilitate convenient use of the land survey  
110 records concerned by land surveyors, abstractors, assessors,  
111 appraisers, attorneys, engineers and other interested parties,  
112 the Commission agrees to maintain an orderly filing and  
113 retrieval capability for the land surveys and to cross reference  
114 all files of surveys under five headings. The five reference  
115 headings are:

116  
117 A. Numerically by U.S. Public Land survey township, range,  
118 section, quarter section, and record of survey.

119  
120 B. Alphabetically by minor civil division (city or village).

121  
122 C. Alphabetically by the property owner or client for  
123 whom the survey was completed.

124  
125 D. Alphabetically by the name of the land surveyor  
126 employed by the property owner or client.

127  
128 E. Chronologically by the date of the survey.

129  
130 The Commission further agrees to maintain in an orderly  
131 manner, records of individual U.S. Public Land Survey Corners

132 (dossier sheets), and records (control survey summary  
133 diagrams) of horizontal and vertical control surveys that have  
134 been run over the U.S. Public Land survey corners.  
135

136 III. Commission to Act as Custodian for all Milwaukee County  
137 Surveyor Records  
138 The Commission agrees to maintain for inspection and  
139 copying as public documents, all records associated with its  
140 functions as the Milwaukee County Surveyor. The Commission  
141 further agrees to provide access to the data contained in the  
142 five lists identified in paragraph 2 above through its Regional  
143 Land Information website.  
144

145 IV. Steering Committee to Receive Copies of Records  
146 The Commission shall furnish to the Steering Committee, as  
147 necessary for the pursuit of its responsibilities, copies of the  
148 records created and maintained by the Milwaukee County  
149 Surveyor.  
150

151 V. Compensation  
152 The Steering Committee through Milwaukee County shall pay  
153 to the Commission the sum of \$78,719 as full payment for the  
154 services described herein.  
155

156 VI. Method of Compensation  
157 The Commission shall submit a single invoice in the amount of  
158 \$78,719 to Milwaukee County. The County, on behalf of the  
159 Steering Committee, shall pay to the Commission the amount  
160 shown on the invoice upon receipt of said invoice.  
161

162 VII. Timing  
163 The work to be performed under this Agreement shall be  
164 carried out over the period from January 1, 2012, through  
165 December 31, 2012.  
166

167 VIII. Indemnity  
168 Except for acts done or taken at the direction of or pursuant  
169 to the Steering Committee policy or procedures, the  
170 Commission agrees to the fullest extent permitted by law, to  
171 indemnify, defend and hold harmless, the Steering  
172 Committee, and its agents, officers, and employees from and  
173 against all loss or expense including costs and attorney's fees  
174 by reason of statutory benefits under Worker Compensation  
175 Laws, and/or liability for damages including suits at law or in

176 equity, caused by any wrongful, intentional, or negligent act  
177 or omission of the Commission, or its agents which may arise  
178 out of or are connected with the activities covered by this  
179 agreement.

180

181 IX. Insurance

182 The Commission, as an agency of the State, is self-funded for  
183 liability under Section 893.82 and Section 895.46(1) of the  
184 Statutes. As a result, such protection as is afforded under  
185 respective Wisconsin Statutes, is applicable to officers,  
186 employees, and agents while acting within the scope of their  
187 employment or agency. Since this is statutory indemnification,  
188 there is no liability policy as such that can extend protection  
189 to any other.

190

191 X. Records and Audits

192 The Commission shall allow Milwaukee County, the Milwaukee  
193 County Department of Audit, or any other party that  
194 Milwaukee County may name, when and as they demand,  
195 to audit, examine, and make copies of, excerpts or transcripts  
196 from, any records or other information directly relating to  
197 matters under this agreement. Any subcontracting by the  
198 Commission in performing the duties described under this  
199 contract shall subject the subcontractor and/or associates to  
200 the same audit terms and conditions as the Commission. The  
201 Commission (or any subcontractor) shall maintain and make  
202 available to Milwaukee County the aforementioned audit  
203 information for no less than three years after the conclusion of  
204 each contract term.

205

206 XI. Independent Contractor

207 Nothing contained in the Agreement shall constitute or be  
208 construed to create a partnership or joint venture between  
209 Milwaukee County or its successors or assigns; the Steering  
210 Committee or its successors or assigns; and the Commission or  
211 its successors or assigns. In entering into this Agreement, and  
212 in acting in compliance herewith, the Commission is at all  
213 times acting and performing as an independent contractor,  
214 duly authorized to perform the acts required of it hereunder.

215

216 XII. Authorization

217 The Steering Committee approved the execution of this  
218 Agreement by action taken on December 13<sup>th</sup>, 2011.

219

220

221 BE IT RESOLVED, that the Milwaukee County Board of Supervisors hereby  
222 authorizes the Director of Administrative Services Division of Economic  
223 Development to execute an Agreement by and between the Commission  
224 'acting' in its capacity as the Milwaukee County Surveyor in performance of  
225 the duties specified herein and the Steering Committee, whereby the cost of  
226 County Surveyor services is \$78,719 or less.

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232 WCS

233 O:\WPDOC\GIS\WCSDOC\MCAMLIS\contracts\MCAMLIS-SEWRPC

234 Agmt 2012\_Res

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** 5/22/2012

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** 2012 Milwaukee County Surveyor Services

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact<br><input checked="" type="checkbox"/> Existing Staff Time Required<br><input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input checked="" type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><br><input type="checkbox"/> Decrease Operating Expenditures<br><br><input type="checkbox"/> Increase Operating Revenues<br><br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><br><input type="checkbox"/> Decrease Capital Expenditures<br><br><input type="checkbox"/> Increase Capital Revenues<br><br><input type="checkbox"/> Decrease Capital Revenues<br><br><input type="checkbox"/> Use of contingent funds |
|--|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	\$78,719	0
	Revenue	0	0
	Net Cost	\$78,719	0
<b>Capital Improvement Budget</b>	Expenditure	0	
	Revenue	0	
	Net Cost	0	

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
  - B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
  - C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
  - D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
- 
- A. The Director of the Department of Administrative Services Division of Economic Development requests authority to execute a sole source agreement, entered into by and between the Southeastern Wisconsin Regional Planning Commission (SEWRPC) and the Milwaukee County Automated Mapping and Land Information System (MCAMLIS) Steering Committee whereby SEWRPC provides 'County Surveyor' services as specified under Section 59.74 of the Wisconsin Statutes.
  - B. The cost of this service is \$78,719 and funds are included for this purpose in the 2012 adopted MCAMLIS budget.
  - C. In adopting the 2012 Budget the Milwaukee County Board of Supervisors authorized expenditures for MCAMLIS to be used for Milwaukee County Surveyor Services, of which this activity is included. Sufficient budget allocation is in low org: 1199 Acct# 6148 totaling \$78,719.
  - D. It is assumed that an RFP for County Surveyor services is not required. Justification for sole source is based upon Section 59.74 of the Wisconsin Statutes whereby the County Board is authorized to use SEWRPC to serve as the County Surveyor in the absence of a County Board appointed County Surveyor.

Department/Prepared By DAS/ECD MCAMLIS - William Shaw

Approved by:

---

Brian Taffora, Director  
DAS – Economic Development

Did DAS-Fiscal Staff Review?

Yes

No

Reviewed With: JM/VM

**COUNTY OF MILWAUKEE**  
**INTER-OFFICE COMMUNICATION**

DATE : June 8, 2012

TO : Marina Dimitrijevic, County Board Chairwoman

FROM : Craig C. Dillmann, Manager, Real Estate Services  
Department of Administrative Services

SUBJECT : From Rainier Properties II, LLC requesting an extension to the option to purchase for the triangular-shaped, .37-acre Block 6E in the Park East Corridor, located between North Water Street, North Edison Street and East Knapp Street in the City of Milwaukee, east of the Milwaukee River.

Milwaukee County Board Resolution File No. 06-14(a)(a) was adopted on April 13, 2006, accepting a development proposal from MLG Commercial, the predecessor to Rainier Properties II, LLC (“Rainier”) for Block 6E, in the amount of \$676,000, which is \$72,000 above the appraised value. The approved development project, estimated at \$8 million, included a four-story mixed-use building, comprising 8,000 rental square feet of retail on the first floor, approximately 36,000 square feet of rentable office space on the upper three floors and up to 31 underground parking spaces.

As referenced above, the proposal from Rainier reflected a stand-alone mixed-use development for Block 6E, however, their proposal also presented an assemblage of Block 6E with a riverfront parcel controlled by Rainier across North Edison Street (exhibit attached). Developing a project on the assembled 2.6-acre site offers an opportunity for landmark development with a tax base beyond what could be achieved solely on the .37-acre County-owned Block 6E.

Throughout the economic downturn, Rainier continued to advance their development vision for Block 6E, as assembled with their riverfront parcel. In the attached May 21, 2012 letter, Mr. Bruce Westling, the managing member of Rainier, states that Marcus Theatres is committed to anchoring the project. Continued improvement in the economy may encourage the additional tenant commitments needed to advance this landmark project to the construction stage.

Rainier continues to invest professional and monetary resources in the project and is committed to bring the project to a successful completion. Therefore, Rainier is requesting a six-month extension to their option to purchase for Block 6E until December 30, 2012, with an option to extend for an additional six months, if needed.

In addition to the \$65,000 in nonrefundable option fees already committed by Rainier and

previously increasing the purchase price \$24,000 from \$676,000 to \$700,000, Rainier pledges to continue providing snow clearing of the sidewalks abutting Block 6E, litter removal and mowing services. Providing these services helps reduce County maintenance costs and improves the aesthetics of the surrounding area.

**RECOMMENDATION:**

Staff respectfully requests that the Committee on Economic and Community Development recommend to the Milwaukee County Board of Supervisors an extension to the existing option to purchase with Rainier for Block 6E until December 30, 2012, with an option to extend until June 30, 2013, if needed.

**FISCAL NOTE:**

Extending the existing option to purchase with Rainier for Block 6E until December 30, 2012 and until June 30, 2013 , if needed, will not include the payment of an extension fee, but Rainier continues to provide maintenance services on and abutting the block that reduces operating costs for the County. The \$65,000 nonrefundable option fee paid to date will be credited toward the \$700,000 purchase price, but will not be refunded if the option is not exercised and the purchase is not finalized.

---

Craig C. Dillmann  
Manager of Real Estate Services

Meeting Date: June 18, 2012  
Attachments

cc: Chris Abele, County Executive  
Supervisor David Bowen, District 10  
Patrick Farley, Director-Dept. of Administrative Services (DAS)  
Brian Taffora, Director of Economic Development-DAS  
Vince Masterson, Fiscal Management Analyst

Blk6EJune12extmemo

May 21, 2012

Mr. Craig Dillmann  
Milwaukee County Real Estate  
2711 W. Wells Street, Room 339  
Milwaukee, WI 53208

Dear Craig:

We are pleased to bring the Economic Development Committee up to date on the landmark project to be built at the northwest corner of Water Street and McKinley Avenue. As you know, the 2.6 acre site is an assemblage of privately owned property, a portion of N. Edison Street and .37 acres of County land.

There has been activity in the market and specifically in the Park East development corridor over the past year which is summarized below. With the new members on the committee, I thought it would be helpful to first describe the site in more detail. The approximately 2.6 acre site consists of 3 separate parcels. The largest of the parcels is the parking lot that stretches 650 feet along the Milwaukee River owned by Parking Management Inc. (PMI.) PMI has entered into a partnership with our team to develop the property. The second part of the assemblage is Edison Street that runs between Cherry Street and McKinley Avenue. In our conversations with the Department of City Development we have been assured that the City would vacate Edison and contribute the parcel to the development. The third piece of the assemblage is the .37 acre parcel owned by the County at the corner of Water Street & McKinley Avenue. As we have discussed in the past we feel strongly that the highest and best use of the County owned parcel is that it be developed as a part of a larger landmark project. In fact, the Park East redevelopment plan adopted by the City calls for a landmark project on this assembled site.

Marcus Theatres continues to be committed to anchoring the project which is integral as we move forward. We pursued and were a finalist to house the Harmony Initiative; however they decided to focus on the redevelopment of the Marcus Center for the Performing Arts' parking structure. We were also in "finalist" discussions with Baker Tilly and their move to Milwaukee's downtown market but they decided to move to existing space at the US Bank tower. While the overall real estate market is improving as the country recovers from the recession, we are finding large office tenants hesitant to commit to moving or adding locations. We are pleased that this development site is always "in the mix" and part of any discussion regarding downtown office space. We do not intend to change our vision for this Park East development block, which is consistent with the overall development plan, and will continue to pursue the tenants that will allow us to move forward and eventually break ground on a landmark building.

Activity among other blocks in the Park East development area continues, including the MSOE parking and athletic structure, located near our site, which had its groundbreaking ceremony on May 4<sup>th</sup>. The pursuit of the Kohl's headquarters move from Menomonee Falls to the Park East development area included our site in the discussions. While that exciting opportunity failed to materialize, the City and County have agreed to work more closely in the future to attract

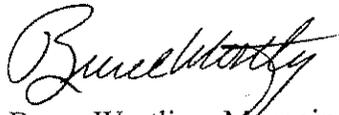
## Rainier Properties II, LLC

companies to the Park East and other Milwaukee County opportunities which can only help us going forward with this project.

As we have discussed previously, our team continues to invest considerable time and money in this important project. We respectfully request that the Committee continue its support of the project by extending our agreement for 6 months with an option for an additional 6 months. As you know, we have provided snow removal services during the past winter and will remove litter and mow this summer on a regular basis.

We appreciate the Committee's support to date and look forward to continuing our working relationship to bring this project to fruition.

Sincerely,



Bruce Westling, Managing Member  
Rainier Properties II, LLC

ALL THE ABOVE ARE SUBJECTS OF THE ABOVE MENTIONED CASE.

Manpower Site

Time Warner Cable Site

W. CHESTNUT ST.

MILWAUKEE RIVER

Rainier controlled site

Edison Street

Subject

Knapp Ave.

BMO Harris

W. SO. W.

McKinley Ave Bridge

M. SO. ST.

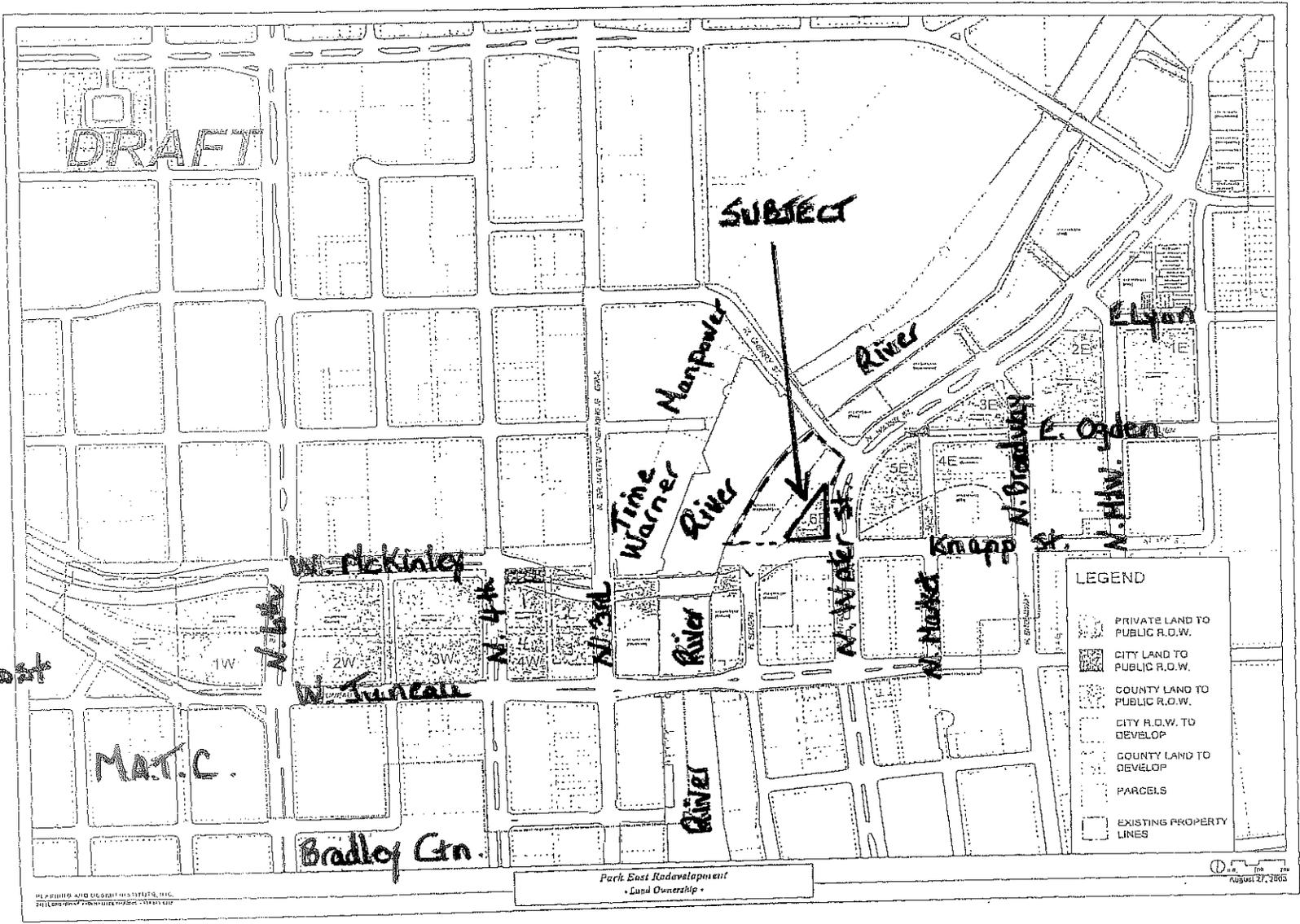
M. EDISON

M. WATSON ST.

M. BRADLEY ST.

Judeau Avenue

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(ITEM ), From Rainier Properties II, LLC requesting an extension to the option to purchase for the triangular-shaped, .37-acre Block 6E in the Park East Corridor, located between North Water Street, North Edison Street and East Knapp Street in the City of Milwaukee, east of the Milwaukee River, by recommending adoption of the following:

**RESOLUTION**

WHEREAS, Milwaukee County Board Resolution File No. 06-14(a)(a) was adopted on April 13, 2006, accepting a development proposal from MLG Development, the predecessor to Rainier Properties II, LLC ("Rainier") for Block 6E, in the amount of \$676,000, which was \$72,000 above the appraised value; and

WHEREAS, the approved development, estimated at \$8 million, included a four-story mixed-use building, comprising 8,000 rental square feet of retail on the first floor, approximately 36,000 square feet of rentable office space on the upper three floors and up to 31 underground parking spaces.; and

WHEREAS, Block 6E was marketed as a stand-alone mixed-use development site and the original proposal from Rainier reflected a stand-alone mixed-use development for Block 6E, however the original proposal also presented an assemblage of Block 6E with a riverfront parcel controlled by Rainier across North Edison Street. Developing a project on the assembled 2.6-acre site offers an opportunity for a landmark development with a tax base beyond what could be achieved solely on the .37-acre Block 6E; and

WHEREAS, throughout the economic downturn Rainier continued to advance their development vision for Block 6E, as assembled with their riverfront parcel. A letter from Rainier, dated May 21, 2012, stated that Marcus Theatres continues their commitment to anchoring the project. Improvement in the economy may encourage the additional tenant commitments needed to advance this landmark project to the construction stage; and

WHEREAS, Rainier continues to invest professional and monetary resources in the project and is committed to bring the project to a successful completion. Therefore, Rainier is requesting a six-month extension to their option to purchase for Block 6E until December 30, 2012, with an option to extend for an additional six months, if needed; and

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WHEREAS, in addition to the \$65,000 in nonrefundable option fees already committed by Rainier and previously increasing their \$676,000 purchase price \$24,000 to \$700,000, Rainier pledges to continue providing snow clearing of the sidewalks abutting Block 6E, litter removal and mowing services. Providing these services helps reduce County maintenance costs and improves the aesthetics of the surrounding area; and

WHEREAS, at their meeting on June 18, 2012, the Committee on Economic and Community Development recommended extending the existing option to purchase with Rainier for Block 6E until December 30, 2012 and until June 30, 2013, if needed; now, therefore,

BE IT RESOLVED, the Manager of Real Estate Services is hereby authorized to extend the existing option to purchase with Rainier for Block 6E until December 30, 2012 and until June 30, 2013, if needed by Rainier.

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** May 23, 2012

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** From Rainier Properties II, LLC requesting an extension to the option to purchase for the triangular-shaped, .37-acre Block 6E in the Park East Corridor, located between North Water Street, North Edison Street and East Knapp Street in the City of Milwaukee, East of the Milwaukee River.

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact<br><input checked="" type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input checked="" type="checkbox"/> Decrease Operating Expenditures<br><input type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
|--|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	0	
	Revenue	0	
	Net Cost	0	
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Extending the existing option to purchase for Block 6E until December 30, 2012 and until June 30, 2013, if needed, will not include the payment of an extension fee, but Rainier will continue to provide maintenance services for the County on Block 6E that reduces operating costs for the County. The \$65,000 nonrefundable option fee paid to the date will be credited toward the \$700,000 purchase price, but will not be refunded if the option is not exercised and the purchase is not finalized.

Department/Prepared By Craig C. Dillmann

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**COUNTY OF MILWAUKEE****INTER-OFFICE COMMUNICATION**

DATE : May 30, 2012

TO : Marina Dimitrijevic, County Board Chairwoman

FROM : Craig C. Dillmann, Manager of Real Estate Services  
Department of Administrative Services

SUBJECT : From the Manager of Real Estate Services requesting the approval of a revised development agreement and an agreement to implement the development of the 2.13-acre Block 26 (aka Block One) in the Park East Corridor, located between North Jefferson, North Milwaukee and East Lyon Streets and East Ogden Avenue in the City of Milwaukee, east of the Milwaukee River.

**POLICY ISSUE:**

Revision of the development agreement for Block 26 requires the approval of the County Board of Supervisors and County Executive.

**BACKGROUND:**

As reported to this committee over the previous years, Park East Square, LLC ("Park East Square"), also known as the Initial Developer, closed on the purchase of Block 26 ("Property") in December 2007. As a part of closing, the County was paid the \$2,725,000 purchase price and Park East Square entered into a development agreement with the County as a commitment to implement the proposed development. Due to the economic and financial downturn post-closing, the development agreement was amended by six amendments (collectively, the "Initial Development Agreement") since the project lender rescinded the loan commitment as Park East Square was set to break ground.

Park East Square advised the committee on March 5, 2012 that they have entered into a partnership with a local real estate development firm with the strength and experience to assist moving the project forward. The expanded partnership team, entitled Park East Two, LLC ("Park East Two"), also known as the New Developer, is more particularly characterized on the attached organizational chart.

The Initial Developer and New Developer have reached an understanding whereby it is envisioned the New Developer will acquire and develop portions of the Property in three phases.

Real Estate staff, Corporation Counsel and private legal counsel (Reinhart Boerner Van Deuren, S.C. ("Reinhart")), in support of Corporation Counsel worked with the Initial Developer and New Developer to produce the attached documents that reflect a phased development of Block 26. One such document that will facilitate the implementation of the phased development by the New Developer is the attached Agreement Implementing the Development of Park East Corridor Block 26 (the "Agreement To Implement"). The Agreement To Implement provides for Phase 1 and Phase 2 being developed by the New Developer, with Phase 3 being developed by the Initial Developer. The New Developer's obligation for developing Phase 1 and Phase 2 is memorialized in the second document which is a revised development agreement (the "New Development Agreement") attached to the Agreement To Implement.

The phased development of Block 26, as described in the New Development Agreement, include the following project components:

- Phase 1-86 market rate apartment units, 14,600 square feet of retail and 246 parking spaces, with an estimated development cost in excess of \$20 million.
- Phase 2 - 95-unit apartment building connected to the Phase 1 building, with an estimated development cost in excess of \$14 million.
- Phase 3- originally envisioned to consist of a hospitality component will be more fully defined toward completion of Phases 1 & 2.

Exhibits depicting Phase 1 and Phase 2 are attached to the New Development Agreement.

In addition to the aforementioned Phase 1 and Phase 2 project components, the terms and conditions of the Agreement To Implement and the New Development Agreement are summarized and paraphrased as follows:

## **AGREEMENT TO IMPLEMENT**

- In the event the Phase 1 and Phase 2 property is conveyed to the New Developer, the obligation for the Initial Developer to develop the applicable phase is removed from the Initial Development Agreement and transferred to the New Developer, pursuant to the New Development Agreement.
- In the event the conveyance of Phase 1 and Phase 2 property did not occur by the requisite dates, the Initial Development Agreement shall remain in full force and effect and remain the obligation of the Initial Developer and the New Development Agreement shall be deemed null and void.
- The New Developer shall not have any rights to Phase 2 property under the New Development Agreement if the conveyance of the Phase 1 property did not occur per the requisite date and if the transfer of the Phase 1 property did occur by the requisite date, but the conveyance of the Phase 2 property did not occur by the requisite date, the New Development Agreement shall only apply to the Phase 1 property.
- The Initial Developer and New Developer shall provide notice to the County within three (3) business days of the conveyance of Phase 1 and 2 property.
- To permit the New Developer to advance their development efforts and avoid default under the Initial Development Agreement, the Initial Development Agreement is amended by the revised construction schedule made part of the New Development Agreement.

### **NEW DEVELOPMENT AGREEMENT**

- Construction of Phase 1 and Phase 2 shall be completed as approved by the County Board and per the design plans approved by the City of Milwaukee. Construction shall be in conformity with the Construction Schedule outlined for the applicable phases.
- A \$50,000 performance deposit/bond provided to serve as security for the full and complete performance of all the obligations, agreements and covenants promised, with execution of guaranty for performance.
- Property delivered "AS-IS" relative to subsoil and environmental condition, with County indemnified and held harmless.
- Subject to Labor Standards including prevailing overtime rates, minimum hourly wage rates and minimum fringe benefits,

compliance with "Prevailing Wage and Employment Data" sections of the Park East Redevelopment Compact (PERC) and maintain compliance records.

- Nondiscrimination and Affirmative Action commitments.
- Per the PERC Compliance Plan approved by the County's Community Business Development Partners (CBDP) the Developer commits to Disadvantaged Business Enterprise (DBE) participation goals and compliance with the PERC. Developer will continue to work with CBDP to implement the CBDP approved PERC Compliance Plan.
- Remedies for applicable defaults include per diem monetary penalty and repurchase provision.
- Conveyance prohibition prior to completion or without County approval, unless to an affiliate with County notification, but maintaining obligations to the County.
- County audit provision relating to matters under the development agreement.
- Developer to guarantee the performance of the Developer's obligations by executing a guaranty.

**RECOMMENDATION:**

With the strength of the Park East Two development team, the reality of the project coming to fruition is greatly enhanced. The advancement of the project will lead to increased jobs, tax base and catalyze further development in and surrounding the Park East Corridor. Therefore, staff respectfully requests approval of the above-described New Development Agreement and the Agreement to Implement. Staff further requests approval of an amendment to the existing professional service legal agreement between Corporation Counsel and Reinhart by adding funds in the amount of \$20,000, thus increasing the \$49,500 cap stated in the agreement, entered into with Corporation Counsel in 2009, to a not to exceed amount of \$69,500. The amendment for the \$20,000 increase shall include a 17% Disadvantaged Business Enterprise participation. Ongoing legal support by Reinhart for staff and co-counsel to Corporation Counsel is warranted to complete the development partnership transition as outlined in the New Development Agreement and the Agreement to Implement, as well as transitioning the applicable Phase 1 and Phase 2 conveyance between the Initial Developer and the New Developer.

**FISCAL NOTE:**

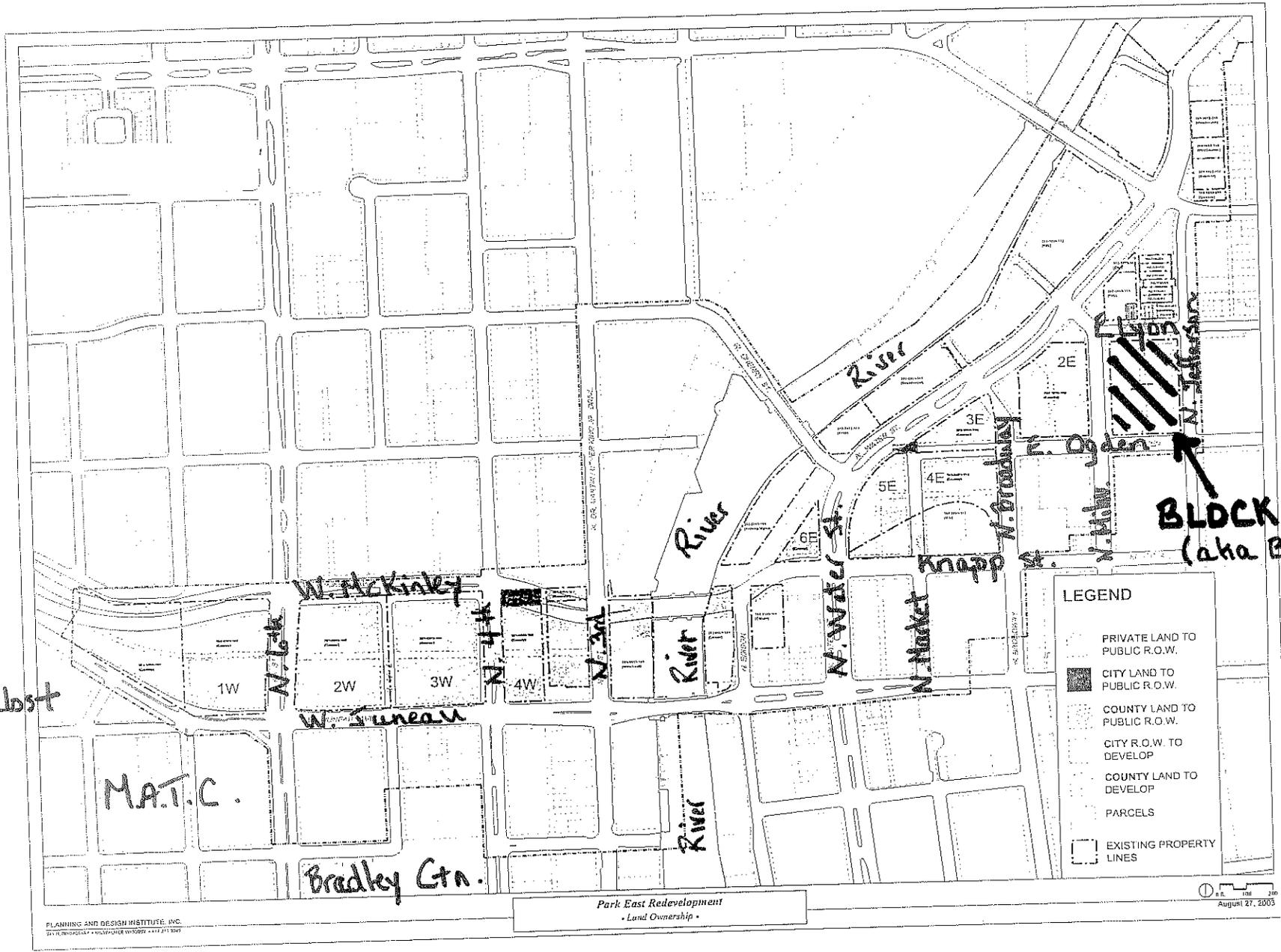
Approving the New Development Agreement and entering into the Agreement to Implement will not require an expenditure of funds. The \$20,000 increase to the existing professional service legal agreement between Corporation Counsel and Reinhart is available in the DAS-Real Estate Section operating budget (Agency 191, Org. Unit 1191 and Object No. 6148).

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Craig C. Dillmann, Manager  
Real Estate Services

Meeting Date: June 18, 2012  
Attachments

cc: Chris Abele, County Executive  
Supervisor David Bowen, District 10  
Kimberly Walker, Corporation Counsel  
Lee Jones, Principal Assistant, Corporation Counsel  
Patrick Farley, Director, Department of Administrative Services (DAS)  
Brian Taffora, Director, Economic Development-DAS  
Freida Webb, Director, Community Business Development Partners  
Vince Masterson, Fiscal Mgmt. Analyst-DAS



**BLOCK 26**  
(aka Block One)

- LEGEND**
- PRIVATE LAND TO PUBLIC R.O.W.
  - CITY LAND TO PUBLIC R.O.W.
  - COUNTY LAND TO PUBLIC R.O.W.
  - CITY R.O.W. TO DEVELOP
  - COUNTY LAND TO DEVELOP
  - PARCELS
  - EXISTING PROPERTY LINES

Park East Redevelopment  
• Land Ownership •

August 27, 2003

PLANNING AND DESIGN INSTITUTE, INC.  
221 N. UNIVERSITY ST. • WHEELING, WV 26061 • 304.247.1500

# PARK EAST SQUARE, LLC

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## Via Email

To: Economic & Community Development Committee of Milwaukee County

From: Park East Square, LLC

Date: May 23, 2012

Block One, located in the Park East Corridor, was purchased by Park East Square LLC (“Park East Square”) from Milwaukee County in December 2007 for \$2,725,000. The development team was set to break ground on the proposed project when the economic downturn resulted in a delay.

Park East Square has continued to work diligently to strengthen the project team and modify the project in form and function to conform to the unprecedented financing environment we continue to experience.

At the March 5, 2012 ECDC meeting, we were excited to present an informational summary of Phase 1 of the project and advise the Committee that we had entered into a partnership with Wangard Partners, a Milwaukee developer who is a very strong and a well respected real estate development firm headquartered in Milwaukee. We also provided a brief summary of the proposed Phase 1 project which is designed to include 85 market rate apartment units, 14,600 square feet of retail and 246 parking spaces with a total development cost of approximately \$20 million. We expect to develop Phase 2 with a multifamily residential building and Phase 3 is expected to be a commercial or multifamily development. The next two Phases will depend upon the economy and market conditions.

The Milwaukee rental market is strong and is expected to continue the positive momentum based upon the market study and research reports related to the transition of previous demand to purchase condominiums to the current very strong demand to rent quality market rate apartments.

The bank financing market for apartment construction loans has improved quite a bit over the last year and the project team is actively working with conventional lenders who have indicated a strong desire to underwrite the project.

Our architect continues to develop the design and engineering for the new proposed project and has received preliminary City approval of the elevations presented to date. We will continue

discussions with the City as the drawings progress and expect to receive approval to move forward with the hopes of starting construction by mid-year.

We sincerely appreciate Milwaukee County's patience and cooperation during the past, very difficult years, and look forward to sharing the benefits of our collective perseverance to develop Park East Square.

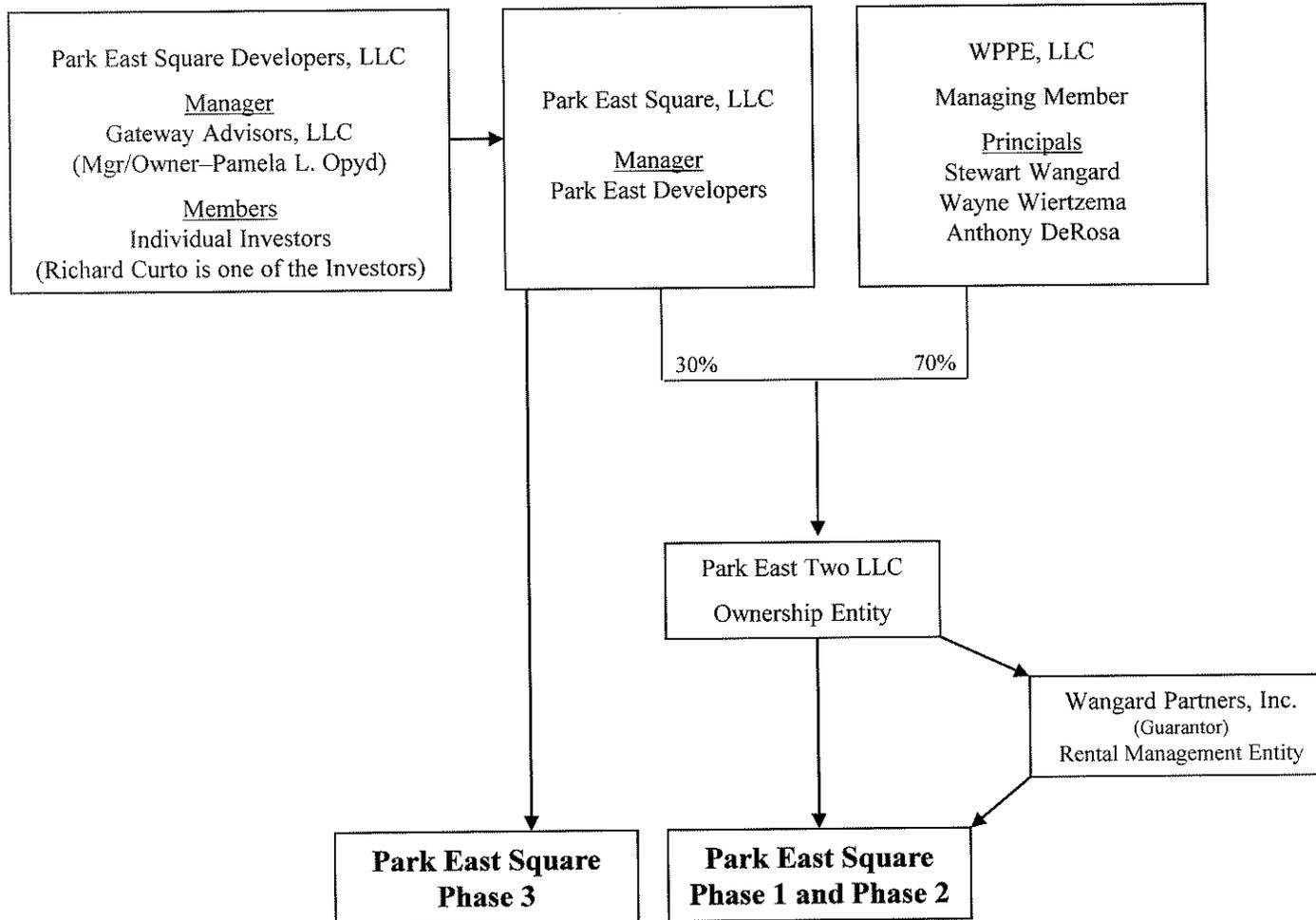
Due to the positive developments surrounding the project, we respectfully request ECDC approval of the revised project documents in order for the new partnership to proceed with the construction of Phase 1.

Sincerely,

Park East Square LLC

Park East Square  
Block 26

**Organizational Chart**



AGREEMENT TO IMPLEMENT DEVELOPMENT OF PARK EAST  
CORRIDOR BLOCK 26

This Agreement to Implement Development of Park East Corridor Block 26 (the "Agreement") is made this \_\_\_\_ day of \_\_\_\_\_, 2012 between MILWAUKEE COUNTY (the "County"), PARK EAST SQUARE, LLC, an Illinois limited liability company ("Initial Developer"), RSC & ASSOCIATES, LLC, an Illinois limited liability company ("RSC"), who was the original managing member of the Initial Developer and Guarantor of the Initial Developer's obligations under the Initial Development Agreement (as hereinafter defined), PARK EAST TWO, LLC, a Wisconsin limited liability company ("New Developer") and Wangard Partners, Inc., a Wisconsin corporation ("New Guarantor"), which is the guarantor of New Developer's obligations under the New Development Agreement (as hereinafter defined). The County, Initial Developer, RSC, New Developer and New Guarantor (herein after collectively referred to as the "Parties").

RECITALS

A. The County, Initial Developer and RSC entered into a certain Development Agreement - Park East Corridor Development of Block 26 on December 21, 2007, that certain Amendment to Development Agreement – Park East Corridor Development of Block 26, on May 7, 2009, and that certain Second Amendment to Development Agreement – Park East Corridor Development of Block 26, dated February 1, 2010, that certain Third Amendment to Development Agreement – Park East Corridor Development of Block 26, dated July 14, 2010, that certain Fourth Amendment to Development Agreement – Park East Corridor Development Agreement of Block 26, dated October 20, 2010, that certain Fifth Amendment to Development Agreement – Park East Corridor Development of Block 26, dated March 25, 2011, and that certain Sixth Amendment to Development Agreement - Park East Corridor Development of Block 26, dated October 25, 2011 (collectively, the “Initial Development Agreement”).

B. Attached hereto and incorporated herein as Exhibit A is that certain Development Agreement - Park East Corridor Development of Block 26, dated June 12, 2012 between the County, the New Developer and the New Guarantor for development of Phases 1 and 2 of Block 26 in the City of Milwaukee Park East Development Plat (the "New Development Agreement").

C. New Developer intends to acquire Phase 1 of the Property (as defined in the New Development Agreement) from Initial Developer on or before September 30, 2013 (the "End Date for Acquiring Phase 1 of the Property"). In

addition, New Developer intends to acquire Phase 2 of the Property (as defined in the New Development Agreement) from Initial Developer on or before July 1, 2016 (the "End Date for Acquiring Phase 2 of the Property").

D. Upon New Developer acquiring fee title ownership interest in Phase 1 of the Property, the Parties desire to amend the Initial Development Agreement to exclude Phase 1 of the Property from the Initial Development Agreement and thereby automatically making the New Development Agreement effective with respect to Phase 1 of the Property. Similarly, upon New Developer acquiring fee title ownership interest in Phase 2 of the Property, the Parties desire to amend the Initial Development Agreement to exclude Phase 2 of the Property from the Initial Development Agreement, and thereby automatically making the New Development Agreement effective regarding Phase 2 of the Property.

## AGREEMENT

In consideration of the Recitals, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. In the event that New Developer acquires ownership interest of Phase 1 of the Property (the "Transfer of Phase 1 Ownership Date") on or before the End Date for Acquiring Phase 1 of the Property, the following shall automatically occur:

(a) The Initial Development Agreement shall be deemed amended to exclude Phase 1 of the Property from the Initial Development Agreement and Initial Developer and Guarantor shall have no right, title, interest or obligations under the Initial Development Agreement related to Phase 1 of the Property: but otherwise the Initial Development Agreement shall remain unmodified and in full force and effect;

(b) The New Development Agreement shall be deemed in full force and effect regarding Phase 1 of the Property, effective as of the Transfer of Phase 1 Ownership Date.

In the event that the Transfer of Phase 1 Ownership Date does not occur by the End Date for Acquiring Phase 1 of the Property, the Initial Development Agreement shall remain in its current condition, unmodified as a result of this Agreement and in full force and effect regarding all the Property described in the Initial Development Agreement, and the New Development Agreement shall be deemed null and void and none of the Parties shall have any further rights or obligations under the New Development Agreement.

2. If the Transfer of Phase 1 Ownership Date occurs prior to the End Date for Acquiring Phase 1 of the Property, and the New Developer acquires fee ownership interest in Phase 2 of the Property (the "Transfer of Phase 2 Ownership Date") by the End Date for Acquiring Phase 2 of the Property, then the following shall occur:

(a) The Initial Development Agreement shall be deemed amended as of such Acquisition Date for Phase 2 of the Property to exclude Phase 2 of the Property from the Initial Development Agreement and Initial Developer and Guarantor shall have no right, title, interest or obligations under the Initial Development Agreement related to Phase 2 of the Property: but other than this amendment, the Initial Development Agreement shall remain unmodified and in full force and effect;

(b) The New Development Agreement shall be deemed in full force and effect regarding Phase 2 of the Property, effective as of the Transfer of Phase 2 Ownership Date.

3. For purposes of clarification, New Developer shall not have any rights to Phase 2 of the Property under the New Development Agreement if the Transfer of Phase 1 Ownership Date did not occur prior to the End Date for Acquiring Phase 1 of the Property, or the Transfer of Phase 2 Ownership Date does not occur prior to the End Date for Acquiring Phase 2 of the Property. Moreover, if the Transfer of Phase 1 Ownership Date occurs prior to the End Date for Acquiring Phase 1 of the Property, but the Transfer of Phase 2 Ownership Date occurs after the End Date for Acquiring Phase 2 of the Property, the New Development Agreement shall only be deemed to apply to Phase 1 of the Property, and the Parties shall have no right, title, interest or obligations under the New Development Agreement regarding Phase 2 of the Property. In the event that Phase 1 of the Property or Phase 2 of the Property is not deemed to be governed by the New Development Agreement, then it shall continue to be governed by the Initial Development Agreement pursuant to its terms

4. The Parties have agreed to execute and record the Memorandum of Development Agreement attached as **Exhibit J** to the New Development Agreement upon execution of this Agreement, and the New Development Agreement, (to put all parties on notice of the Parties' right, title and interest and obligations thereunder, as well as the continuing right, title and interest under the Initial Development Agreement), and record the same at the Milwaukee County Register of Deeds Office upon entering into this Agreement.

5. This Agreement shall be binding upon the Parties hereto, and their respective heirs, successors and assigns.

6. Initial Developer and New Developer shall provide notice to the County within three (3) business days upon the occurrence of either a Transfer of Phase 1 Ownership Date or Transfer of Phase 2 Ownership Date, with notice to be delivered in the manner and at the addresses provided for in Section 4.4 of the New Development Agreement.

7. In order to permit the New Developer to proceed with its development efforts, and to avoid potential default under the Initial Development Agreement, the Initial Development Agreement is hereby amended, for Phase I, Phase II and Phase III, as follows: the Commencement of Excavation is hereby amended to 9/30/2013; Completion of Excavation/Commencement of Foundation Construction is hereby amended to 11/30/2013; and Completion of Construction is hereby amended to 3/30/15.

8. Section 4.5-4.8 of the New Development Agreement shall apply to this Agreement, and shall be deemed to be incorporated herein. Similarly, Section 4.9-4.11 shall be deemed incorporated herein and applied to this Agreement.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first written above.

[Execution Pages Follow]

[EXECUTION PAGE 1 OF 6 TO AGREEMENT TO IMPLEMENT  
DEVELOPMENT OF PARK EAST CORRIDOR DEVELOPMENT OF  
BLOCK 26]

MILWAUKEE COUNTY

By: \_\_\_\_\_

Name: Chris Abele

Its: County Executive

STATE OF WISCONSIN     )  
  ) SS  
COUNTY OF MILWAUKEE )

This instrument was acknowledged before me on \_\_\_\_\_,  
2012 by Chris Abele as County Executive of Milwaukee County.

\_\_\_\_\_  
( \_\_\_\_\_ )  
Notary Public, State of Wisconsin  
My Commission: \_\_\_\_\_

Approved for Execution by Corporation Counsel

By: \_\_\_\_\_

[EXECUTION PAGE 2 OF 6 TO AGREEMENT TO IMPLEMENT  
DEVELOPMENT OF PARK EAST CORRIDOR DEVELOPMENT OF  
BLOCK 26]

MILWAUKEE COUNTY

By: \_\_\_\_\_  
Name: Joseph J. Czarnezki  
Its: County Clerk

STATE OF WISCONSIN     )  
  ) SS  
COUNTY OF MILWAUKEE )

This instrument was acknowledged before me on \_\_\_\_\_,  
2012 by Joseph J. Czarnezki, as County Clerk of Milwaukee County.

\_\_\_\_\_  
( \_\_\_\_\_ )  
Notary Public, State of Wisconsin  
My Commission: \_\_\_\_\_









Exhibit A  
New Development Agreement

## DEVELOPMENT AGREEMENT

### PARK EAST CORRIDOR DEVELOPMENT OF BLOCK 26

THIS AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, 2012, by and between MILWAUKEE COUNTY (the "County"), Park East Two, LLC, a Wisconsin limited liability company (hereinafter "Developer") and Wangard Partners, Inc., a Wisconsin corporation (hereinafter "WPI") who is the managing member of Developer and the guarantor of its obligations hereunder.

#### RECITALS

The Developer desires to acquire Phase 1 ("Phase 1") of certain property in the City of Milwaukee, Milwaukee County, Wisconsin as more fully and legally described on **Exhibit A-1 and depicted on Exhibit A-2** attached hereto, and may subsequently be acquiring Phase 2 ("Phase 2") of the property as more fully and legally described on **Exhibit A-1 and depicted on Exhibit A-2** (Phase 1 and Phase 2 are herein collectively defined as the "Property") from the current owner, Park East Square LLC ("Seller"). The parties now desire to enter into this Agreement to set forth the terms and conditions by which the Property will be developed and to establish certain additional covenants and restrictions for the benefit of the Property acquired by the Developer.

#### AGREEMENT

In consideration of the mutual covenants and agreements contained herein and in the Option Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. In addition to the words and terms elsewhere defined in this Agreement, the following words and terms used herein shall have the following meanings:

(a) "Building" means the applicable Phase 1 and/or Phase 2 improvements to be initially constructed by the Developer on the Property in conformity with plans and specifications approved by the County and the City of Milwaukee, all as more particularly described on **Exhibits B-1, B-2 and B-3**.

(b) "Environmental Damages" means all claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability), fees and expenses of defense of any claim and of any settlement or judgment, including without limitation attorneys' fees and consultants' fees, any of which are incurred at any time as a result of the existence of Hazardous Material upon, about, or beneath the Property or migrating or threatening to migrate to or from the Property, or the existence of a violation of Environmental Requirements pertaining to the Property, including without limitation:

(i) damages for personal injury, or injury to property or natural resources occurring upon or off the Property, foreseeable or unforeseeable, including without limitation, lost

profits, consequential damages, interest and penalties, including, but not limited to, claims brought on behalf of employees of the Developer or the County; (ii) diminution in the value of the Property, and damages for the loss of or restriction on the use of or adverse impact on the marketing of rentable or usable space or of any amenity of the Property; (iii) fees incurred for the services of attorneys, consultants, contractor, experts, laboratories and all other fees incurred in connection with the investigation or remediation of such Hazardous Materials or violation of Environmental Requirements, including, but not limited to, the preparation of any feasibility studies or reports or the performance of any cleanup, remedial, removal, containment, restoration or monitoring work required by any federal, state or local governmental agency or political subdivision, or reasonably necessary to make full economic use of the Property or otherwise expended in connection with such conditions; (iv) liability to any third person or governmental agency to indemnify such person or agency for fees expended in connection with the items referenced in this subparagraph.

(c) "Environmental Requirements" means all applicable past, present and future laws, statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, concessions, franchises and similar items of all governmental agencies, departments, commissions, boards, bureaus or instrumentalities of the United States, the State of Wisconsin and political subdivisions thereof and all applicable judicial and administrative and regulatory decrees, judgments and orders relating to the protection of human health or the environment, including, without limitation: (i) all requirements, including, but not limited to, those pertaining to, best management practices, reporting, licensing, permitting, investigation and remediation of emissions, discharges, releases or threatened releases of Hazardous Material (as defined herein) and (ii) all requirements pertaining to the protection of the health and safety of employees or the public.

(d) "Hazardous Material" means any substance: (i) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action or policy; or (ii) which is or becomes defined as a "hazardous waste" or "hazardous substance" under any federal, state, or local statute, regulation or ordinance or amendments thereto, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. section 9601 et seq.); and/or the Resource Conservation and Recovery Act (42 U.S.C. section 6901 et seq.); or (iii) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of Wisconsin, or any political subdivision thereof; or (iv) the presence of which is on the Property; or (v) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or (vi) which contains polychlorinated biphenols (PCBs), asbestos or urea formaldehyde foam insulation.

(e) "Project" means the applicable Phase 1 and/or Phase 2 Building, roads, driveways, parking areas, signs, walkways, loading areas, fences and walls, sewer, electrical, gas, water and other utility distribution systems, landscaping, drainage and other improvements to be initially constructed on the Property by or for the Developer in conformity with the approved plans and specifications, all as more particularly described

(f) "Park East Redevelopment Compact" means Milwaukee County Board Resolution File No. 04-492 attached hereto as **Exhibit C**

(g) "Redevelopment Plan" means the redevelopment plan adopted by the City of Milwaukee Common Council on June 15, 2004, and any amendments thereto. The Redevelopment Plan consists of the following three documents: (i) the Renewal Plan that contains language that satisfies the State statutes in order to carry out the renewal activities within the Park East Redevelopment Project boundaries, (ii) the Master Plan that links the Redevelopment Plan to the Milwaukee Downtown Plan and (iii) the Development Code that defines land use and design standards.

(h) "Material Alteration of the Project" shall mean with respect to the applicable Phase 1 or Phase 2 of the Project (i) a 10% (ten percent) variance in the square footage of the project or any material alteration to: (ii) the exterior materials, (iii) the general appearance, (iv), the scope and use of the project, or (v) the stated intentions of the Project -- each of the above as reflected in the most current submitted plans as reflected in **Exhibit B** and **Exhibit D**; "Material Alteration of the Project" with respect to the applicable Phase 1 or Phase 2 of the Project shall also mean (vi) any change to the DBE Participation Goals and (vii) any alteration in Developer's compliance with the Park East Redevelopment (PERC) Compact Compliance Plan approved by the Milwaukee County Community Business Development Partners ("CBDP"). Regarding Material Alterations (vi) and (vii), Developer may not proceed without first obtaining the advance written consent of the Milwaukee County Board [unless otherwise permitted by the Economic Development Committee in section 2.1].

## 2. Development of the Project.

2.1 Construction by the Developer. The Developer shall, at its own cost and expense, cause the construction of the Project on the Property in a good and workmanlike manner and in compliance with all then applicable building codes and ordinances, and the Redevelopment Plan and Request for Proposal. The Developer represents that the total projected cost of acquiring the Property and constructing the Project thereon shall be as specified on **Exhibit E**. Construction of the Project on the Property shall be completed substantially in conformity with the plans, specifications, landscape plan, signage plan, drainage plan and parking plan as submitted by the Developer and approved by County Board Resolution \_\_\_\_\_, which is attached hereto as **Exhibit F**, and as approved by the City of Milwaukee (the "Approved Plans") the cover page of which is attached hereto as **Exhibit D**.

The Approved Plans may be modified from time to time during the course of construction and shall not require the consent of the County except the advance written consent of the County shall be required in the following instances: (a) to the extent that such modifications are a "Material Alteration of the Project" as defined herein or (b) to the extent the Developer is required to obtain approval for such modification by the City of Milwaukee. In the event that County approval is required, the Developer shall not institute such modification until receiving written approval from the County's Director of Economic and Community Development. If approval of the County is required, the County shall respond in writing within ten (10) business days of its having been notified

of the need for approval. If the County does not notify the Developer on or before said 10<sup>th</sup> business day of its approval or disapproval, approval shall be deemed to be granted. To the extent necessary to approve or disapprove a Material Alteration of the Project, the County shall be allowed – upon notice to the Developer – a reasonable amount of time beyond 10 business days (which additional time may include the time needed to seek approval by the Milwaukee County Board) to provide its approval or disapproval. The foregoing notwithstanding, those Material Alterations relating to DBE and Park East Redevelopment Compact Compliance Plan requirements, referenced in Section 1i(vi) and (vii), shall automatically come back to the Economic Development Committee for review and determination whether this item shall require County Board approval and it is expressly understood that such approvals cannot be accomplished in 10 business days. Thus, such additional time shall be permitted to seek Economic Development Committee review and Milwaukee County Board approval or disapproval.

The Developer agrees to:

- (i) Commence construction of Phase 1, which shall mean commencement of excavation of Phase 1 of the Project on the Property by the date provided for on **Exhibit G** (the "Construction Schedule"), and commence construction of Phase 2, which shall mean commencement of excavation of Phase 2 of the Project on the Property by the date specified in the Construction Schedule (for the applicable Phase 1 and Phase 2, the "Project Commencement Date).
- (ii) Achieve completion of excavation of the location for the Building and commencement of construction of the foundation for Phase 1 of the Project on the Property by the date specified in the Construction Schedule; and achieve completion of excavation of the location for the Building and commencement of construction of the foundation for Phase 2 of the Project on the Property by the date specified in the Construction Schedule (for the applicable Phase 1 and Phase 2, the "Excavation Completion Date").
- (iii) Diligently prosecute completion and achieve such completion of the entire Project by the date provided for in the Construction Schedule for Phase 1, and diligently prosecute completion and achieve such completion of the entire Project by the date provided for in the Construction Schedule for Phase 2 (for the applicable Phase 1 and the Phase 2, the "Project Completion Date").

The Project Commencement Date and Project Completion Date (as defined on **Exhibit G**) shall be confirmed by the Developer's Project architect delivering certificates to the County stating that excavation on the Property has been completed and construction of the foundation has commenced or with respect to substantial completion, that the applicable Phase 1 or Phase 2 of entire Project, has been substantially completed.

In the event that the Developer ceases construction of the applicable Phase 1 and Phase 2 of Project on the Property for 60 consecutive days, such event shall be deemed a "Construction Stoppage."

Developer shall upon the execution of this Agreement and Closing deliver to the County a Performance Deposit (the "Deposit") Performance Bond (the "Bond") in the amount of \$50,000. The Deposit/Bond shall serve as a security on deposit for the full and complete performance of all of the obligations, agreements and covenants outlined in Article 2 of this Agreement, the Developer's proposal approved by the Milwaukee County Board of Supervisors and County Executive, and as a guaranty for the completion of the development approved by the City of Milwaukee, which obligations shall be performed in compliance with the other terms and conditions of this Agreement. The Deposit/Bond shall be in a form approved in advance in writing by the County.

2.2 Condition of Property; Construction of Infrastructure. Developer acknowledges that the County delivered possession of the Property to the Seller "AS-IS" (as to physical condition). The County shall not be responsible for performing any grading or compaction work with respect to the Property. The Property was part of the former Park East Freeway Corridor and contained above and below grade freeway structures. The 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. Prior to the existence of the freeway, the subject property contained various buildings and/or structures as more particularly described in the Request for Proposal. Therefore, the property may contain foundations, building materials, and/or various debris from the previous demolition and any remaining freeway support elements or related infrastructure. The Developer is solely responsible for and must make adequate allowance for all excavation and disposal costs necessary for the Project. The Request for Proposal delivered to Seller provides additional information regarding the condition of the Property. The Developer shall be solely responsible for all property development costs, including, but not limited to, extension of water and sewer laterals to the Property and the replacement of sidewalks and curb cuts. Developer hereby releases and disclaims any claim, damage, loss, injury or obligation whatsoever of the County in any way relating to, arising out of, the physical condition of the Property, any matters described in this Section 2.2, and/or any material, substance, or contaminant located in, under, upon, migrating to or from the Property, regardless of the source, such disclaimer and release shall include any action at law or inequity, whether arising out of contract or tort law.

2.3 General Requirements. The Developer agrees that during construction it shall use reasonable efforts to (a) cause its contractors working on the Project to remove all waste products and rubbish from the Property and the infrastructure areas related to their work in a manner and time consistent with industry standards, and if any such waste products and rubbish are left on site, it shall be responsible for removing the same, and (b) use reasonable efforts to keep the Property and areas of access thereto in a neat and presentable state.

2.4 Labor Standards. The construction of the Project on the Property shall be subject to the following labor standards: (a) overtime at prevailing overtime rates for work on Saturday, Sunday and legal holidays and for more than 40 hours per week or 8 hours in any calendar day, (b) minimum hourly base wage rates and minimum hourly fringe benefits as then filed in the Office of Milwaukee County Clerk and Director of Public Works by Milwaukee Building and Construction Trades Council ("AFL-CIO") covering wages, hours and conditions of employment in applicable labor contracts in the construction industry and (c) and comply with the Prevailing Wages and Employment Data sections of the Park East Redevelopment Compact. These labor standards shall be included in each contract and subcontract in connection with development of the Project. The Developer shall maintain records of compliance and require each contractor and subcontractor to maintain records of compliance for verification as reasonably requested by the County.

2.5 Nondiscrimination and Affirmative Action. In construction of the Project and performance of its duties and obligations hereunder, the Developer shall not discriminate against any employee or applicant for employment (and the Developer shall use reasonable efforts to eliminate any such discrimination by its contractors) based on ancestry, arrest record, conviction record, creed, genetic testing, honesty testing, marital status, membership in the national guard, state defense force or any reserve component of the military forces in the United States or the State of Wisconsin, pregnancy or child birth, sexual orientation, race, color, national origin, age, sex or disability which shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeships. The Developer will post in conspicuous places, available for employment, notices setting forth the provisions of the foregoing nondiscriminatory clause. The Developer will strive to implement the principles of equal employment opportunities through an effective affirmative action program, which program shall have as its objective to increase the utilization of women, minorities and handicap persons, and other protected groups in the Developer's employment at the Project for so long as it is located there, and in construction of the Project. The Developer shall cause its contractors and subcontractors and any assignee to comply with this Section 2.5 and Section 2.6 with respect to construction of the Project.

2.6 DBE Participation Goals. The Developer and its contractors shall commit to Disadvantaged Business Enterprise participation goals for its development of the Project as being used by Milwaukee County for construction and related professional services at the time of the date of this Agreement, and the Developer shall submit to the County a specific plan for approval to meet such goals. In approving such plan and specific mandatory contractual provisions to be inserted in Developer's construction contract(s) for the Project, along with applicable mandatory County reporting forms, which is made part of the PERC Compliance Plan, copies of which are attached hereto as **Exhibit H**, the County shall use the standards, policies and procedures of the CBDP Section of Milwaukee County. The County shall use reasonable efforts to obtain the services of the Division of CBDP Section of Milwaukee County to assist the Developer as requested in preparing the specific plans required by this Section. The Developer and its contractors shall also comply with the Disadvantaged Business Enterprise section of the Park East Redevelopment Compact.

### 3. Defaults and Remedies.

3.1 Events of Default by the Developer. Any one or more of the following events are hereby defined as, declared to be, and constitute an "Event of Default" by the Developer for purposes of this Agreement: (a) a Construction Stoppage (as defined in Section 2.1 hereof) by the Developer, subject to extension for Force Majeure Delays; (b) the Developer fails to commence construction of the applicable Phase 1 or Phase 2 of the Project by the applicable Phase 1 or Phase 2 Project Commencement Date, or achieve the Excavation Completion Date for the applicable Phase 1 or Phase 2, subject to extension for Force Majeure Delays; (c) the Developer falls materially behind in the Construction Schedule for the applicable Phase 1 or Phase 2, subject to Force Majeure Delays; (d) the Developer fails to complete construction of the applicable Phase 1 or Phase 2 of the Project by the Project Completion Date, subject to extension for Force Majeure Delays, or (e) the failure of the Developer to perform any other term, condition or covenant to be performed or observed by the Developer, subject to extension for Force Majeure Delays. In the event an Event of Default by the Developer shall occur, the County shall send written notice to the Developer (the "Default Notice") specifying the nature of the default in detail, and the Developer shall have 30 days after receipt of the Default Notice to cure such Event of Default. In the event that the Developer does not cure such Event of Default within such 30-day period (or such other reasonable time as necessary if such default cannot be cured within 30 days and the Developer, upon receipt of such notice, promptly commences the process of curing such default and diligently and continuously pursues such cure to completion), the County may pursue any available remedy against the Developer, either at law or in equity, including, without limitation, the right to pursue specific performance, collect actual damages for the Developer's failure to perform (including, without limitation, the damages, if any, related to, or arising out of, the infrastructure related to the Property and the cost of financing used to construct such infrastructure, and any guaranty thereof, any costs associated with overtime or additional labor forces in order to timely construct the Project, and other outside fees, including reasonable attorneys' fees). In addition to the other remedies provided for herein, Developer agrees to pay the County an additional payment of \$2,000 per day for each day which Developer is late in achieving the required milestone dates described in section 3.1(b), (c) and (d) (the "Late Payments"). These Late Payments shall be made immediately upon demand by the County.

The Developer agrees that damages will not be an adequate remedy at law and that the County shall have the right to an injunction or other judgment of specific performance to enforce any provision in this Development Agreement, the Redevelopment Plan, Disadvantaged Business Enterprise and Prevailing Wages and Employment Data sections of the Park East Redevelopment Compact, the City of Milwaukee zoning code, the County ordinances or any other State or Federal law. Venue for such action shall be Wisconsin State Court with venue in Milwaukee County. The County shall be entitled to its reasonable attorneys' fees in any action – in which it prevails - to enforce such provisions, including the actual costs of Milwaukee County Corporation Counsel's office if it is the attorney for the County or reasonable attorney fees for other attorneys that may be hired by the County.

In the case of an Event of Default under Section 3.1(b) hereof, which is not cured by the Developer within 30 days after receipt of a Default Notice, the County may exercise an option to repurchase the applicable Phase 1 and/or Phase 2 of the Property at a purchase price equal to 85% of the purchase price paid by the Developer to Seller for such Property by giving the Developer notice thereof. In the event that the County exercises its option to repurchase, then the Developer shall reconvey the applicable Phase 1 and/or Phase 2 of the Property to the County within 30 days of receipt of such notice by general warranty deed, free and clear of all liens and encumbrances except those liens and encumbrances described in the warranty deed delivered by the County to the Seller in the Seller's acquisition of the applicable Phase 1 and/or Phase 2 of the Property plus no monetary encumbrances which do not materially affect the value or use of the Property, utility easements granted by the Developer, and real estate taxes for the year of repurchase, if any, with a customary proration credit to the County for real estate taxes for such year. The Developer shall also execute the applicable Wisconsin Real Estate Transfer Return, pay all transfer taxes in connection with the transfer and execute a certificate of nonforeign status and other reasonably requested documentation as is customary for similar transfers.

3.2 Events of Default by the County. If the County shall fail to perform any other term, condition or covenant to be performed or observed by the County for more than 30 days after receipt by the County of written notice from the Developer specifying in detail the nature of such failure (or such other reasonable time as is necessary if such default cannot be cured within 30 days and the County, upon receipt of such notice, promptly commences the process of curing such default and diligently and continuously pursues such cure to completion), then the Developer may pursue any available remedy against the County at law or in equity including, without limitation, the right to pursue specific performance or injunctive relief and collect actual damages for the County's breach of failure to perform (including reasonable attorneys' fees).

3.3 Rights and Remedies Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times of any other rights or remedies for the same default or any other default by the other party.

3.4 Costs and Attorneys' Fees. In the event any legal or equitable action or proceeding shall be instituted to enforce any provision or agreement contained herein, the party prevailing in such action shall be entitled to recover from the losing party all of its costs including court costs and reasonable attorneys' fees. The prevailing party shall be such party that substantially obtains the relief sought with or without the commencement of litigation.

#### 4. General Provisions.

4.1 Conveyance of the Property. Prior to substantial completion of construction of the Project, the Developer shall not, except as permitted by this Agreement, convey any interest in the Property or Developer without the prior written approval of the County, which approval shall not be unreasonably withheld or delayed. This prohibition shall not be deemed to prohibit or restrict leasing to tenants for

occupancy, conveying condominium units for occupancy and/or granting any other right to occupy and use any portion or portions of a Building. Further, notwithstanding the foregoing, the Developer may assign its interest in this Agreement to an affiliate of the Developer or an entity of which the Developer or some or all of the members or shareholders of the Developer are members or shareholders. As used in this Section 4.1, "affiliate" means any corporation, limited liability company, limited liability partnership or other entity, which directly or indirectly controls or is controlled or is under common control the Developer. Nothing herein shall be deemed to prohibit, restrict or otherwise limit the Developer from selling, leasing or otherwise transferring the Property or Developer or interest therein after substantial completion of construction of the both Phase 1 and Phase 2 Project on such Property.

Notwithstanding anything to the contrary contained in this Agreement, the Developer reserves the right, at its sole discretion at any time during the term of this Agreement, to join and associate with other individuals or entities in joint ventures, partnerships or otherwise for the purpose of developing the Project subject, however, to the following conditions:

(a) The Developer shall promptly notify the County in writing of the identity of any such additional parties;

(b) The Developer and WPI shall remain fully responsible to the County as provided in this Agreement, shall not be released from its obligations hereunder and WPI shall remain the Developer's managing member;

(c) Such additional parties shall be deemed approved unless rejected in writing by the County within twenty days after written notice thereof to the County by the Developer. In connection with the County's determination hereunder, the County shall only take into consideration the reputation of any such additional parties, and the County shall not withhold approval unreasonably. Any notice from the County disapproving such additional parties shall specify the reasons therefore.

Notwithstanding any other provision contained herein, nothing herein shall limit, restrict or prohibit the Developer from entering into any mortgage, deed of trust, sale and lease-back or any other form of conveyance or any form of equity or income participation, including but not limited to a partnership or joint venture, required by a lending institution for the purpose of securing a loan to be used for financing the acquisition of the Property, the construction of the Project thereon and any other expenditures necessary and appropriate to develop the Property. The words "mortgage" and "deed of trust" as used herein includes all other appropriate modes of financing real estate acquisition, construction and land development.

4.2 Liens. Until the Project is substantially completed in compliance with the requirements contained herein, the Developer shall take all commercially reasonable steps to prohibit any construction liens to be filed against the Property or the Project thereon.

4.3 Force Majeure. Notwithstanding anything to the contrary contained in this Agreement, neither the Developer nor the County shall be considered in breach or

default of its obligations with respect to the construction of the Project (including the Project Commencement Date, Construction Stoppage or the Project Completion Date) or the construction of any items of the infrastructure, as the case may be, in the event that a delay in the performance of such obligations is due to causes which were beyond its reasonable control, such as adverse weather conditions, strikes, acts of God, acts of a public enemy, acts of any governmental authorities (including the County in the case of the Developer), fire, flood, epidemics, embargoes or shortages of material from all reasonable sources, which shall not in any event include any economic hardship or delay due to the condition of the economy or real estate market ("Force Majeure Delay"). In the event of a Force Majeure Delay, the time for performance of the affected obligation shall be extended for the period of the Force Majeure Delay; provided, however, the delayed party shall, within 15 business days after the occurrence of the event causing the Force Majeure Delay, deliver written notice to the other party of the cause thereof. Failure to deliver written notice of such delay (with appropriate back-up documentation) shall constitute a waiver of the delayed party's right to claim an extension of its time period because of the Force Majeure Delay.

4.4 Notices. All notices and demands by either party to the other shall be given in writing and personally delivered or sent by United States certified mail, postage prepaid, and addressed:

To the County:        Craig Dillmann, Real Estate Manager  
                              Dept. of Administrative Services  
                              Real Estate Section  
                              2711 West Wells Street  
                              Milwaukee, WI 53208

with a copy to:        William Invie Shroyer, Esq.  
                              Reinhart Boerner Van Deuren s.c.  
                              1000 North Water Street, Suite 1700  
                              Milwaukee, WI 53202

with a copy to: Kimberly R. Walker  
Corporation Counsel  
Milwaukee County  
901 North Ninth Street, Suite 303  
Milwaukee, WI 53233

To the Developer: Wayne Wiertzema  
Park East Two, LLC  
1200 North Mayfair Road, Suite 220  
Milwaukee, WI 53226

with copies to: Pamela Opyd  
Gateway Advisors, LLC  
1112 Lake Street, Suite 300  
Oak Park, IL 60301

Either party may, upon prior notice to the other, specify a different address for the giving of notice. Notices shall be deemed given upon receipt or refusal to accept delivery.

4.5 Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) The captions and headings herein are solely for convenience of reference only and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

(c) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and words of the neuter gender shall be deemed and construed to include correlative words of the masculine and feminine genders.

(d) The laws of the State of Wisconsin shall govern this Agreement.

(e) Since both parties to this Agreement have had adequate opportunity to review and negotiate its terms, in no event shall this Agreement be construed against the drafter.

4.6 Waivers. Waiver by the County or the Developer of any breach of any term, covenant or condition herein shall not be deemed to be a waiver of any future breach of the same or any other term, covenant or condition of this Agreement.

4.7 Severability. Any provision of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision

hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

4.8 Entire Agreement and Amendments. This Agreement, including exhibits, and all documents referenced herein, contains all the covenants and agreements between the County and the Developer relating in any manner to development of the Project and other matters set forth in this Agreement. No prior oral agreements or understandings pertaining thereto shall be valid or of any force or effect, and the covenants and agreements of this Agreement shall not be altered, modified or amended except in writing signed by the County and the Developer and recorded in the office of the Register of Deeds for Milwaukee County. The County and the Developer reserve the right to modify and amend this Agreement without the joinder or approval of any other party.

4.9 Duration of Covenants. The County and the Developer agree that, upon the Developer's request, within 30 days after satisfaction of the applicable Developer's obligations under Article 2 herein, the County shall either concur with such request as evidenced by a recordable Certificate (in which case such unapplied portion of the Bond shall be returned to Developer), indicating that all such applicable obligations have been satisfied hereunder and that those provisions of this Agreement have been satisfied, or reject such request and state which applicable obligations have not yet been completed.

4.10 Authority. The Developer and WPI hereby acknowledge and agree that they are validly formed and existing limited liability companies formed in the State of Wisconsin. The undersigned signatories have the requisite power and authority, statutory and otherwise, to enter into and perform this Agreement pursuant to its terms and conditions without any further notice or consent from any person or entity. Each shall deliver copies of its corporate resolution or other authorizing documentation demonstrating that it has the power and authority to enter into this Agreement.

4.11 Successors. Upon Developer acquiring fee ownership of Phase 1 and/or Phase 2 of the Property, this Agreement shall automatically become binding upon Developer with respect to such Phase 1 and/or Phase 2 of the Project. Except as otherwise expressly provided herein, all of the covenants, agreements, terms and conditions of this Agreement shall run with the Property and inure to the benefit of and be binding upon the County and the Developer and their respective successors and assigns and any party obtaining any interest in the Property after the date hereof, including, without limitation, any condominium unit owner, occupants and/or tenants of the Property. Notwithstanding anything to the contrary contained herein, the right of enforcement of the terms, conditions or covenants of this Agreement to be performed or observed by the Developer is solely vested in the County or any successor entity to the County.

4.12 Independent Contractor. Nothing contained in this Agreement shall constitute or be construed to create a partnership or joint venture between the County or its successors and assigns and the Developer or its successors and assigns. In entering into this Agreement, and in acting in compliance herewith, the Developer is at all times acting and performing as an independent contractor duly authorized to perform acts

required of it hereunder. The Development Agreement does not create the relationship of principal, an agent or of partnership or joint venture or any other association between the County and the Developer, the sole relationship between the County and the Developer being that of a seller and purchaser of land, with certain obligations, covenants and responsibilities described herein.

4.13 Records and Audits. Once a year, upon commercially reasonable notice by the County, the Developer shall allow the County, the Milwaukee County Department of Audit, or any other party the County may name, when and as they demand, to audit, examine and make copies of, excerpts or transcripts from any records or other information directly relating to matters under this Development Agreement. The Developer shall maintain and make available to the County the above-described audit information for no less than three years after conclusion of the obligations and responsibilities of the Developer described herein and required by this Development Agreement.

4.14 Environmental Indemnification.

(a) Conveyance of the Property to Seller was "AS-IS" and without warranty or representation as to soil, subsoil, Hazardous Material and other environmental conditions. Moreover, Developer hereby agrees to indemnify, hold harmless, and defend County from and against any and all liabilities, claims, penalties, forfeitures, and suits, and all reasonable costs and expenses, including the cost of defense, settlement, and reasonable attorney's fees and/or any other Environmental Damages related to, or arising out of, soil, subsoil and environmental conditions arising out of, or in any way connected with the presence of any Hazardous Material on, in, under or migrating to or from the Property, including but not limited to, liability arising out of or in any way connected with the investigation, monitoring or cleanup under any federal, state or local law or regulation or ordinance Environmental Requirements or any Hazardous Material on, in or under or migrating to or from the Property.

(b) Developer shall be responsible for any required repair, cleanup, remediation or detoxification arising out of any Hazardous Materials brought onto or introduced into the Property or surrounding areas by the Developer, its employees, contractors, agents or guests, and/or Hazardous Materials whose presence pre-exists the inception of Developer's possession, located in and on the Property, regardless of whether they are discovered or disturbed as a result of Developer's construction activities on, at or near the Property. Developer shall indemnify, defend and hold County harmless from any liability, cost, damage, claim or injury (including reasonable attorney fees) related to, or arising out of, such Developer's obligations, or failure to perform such obligations described above, and any claim, action or damages asserted against the County by any party or governmental agency related to, or arising out of an Environmental Regulation or Hazardous Material at, in, under, or migrating to or from the Property.

The parties acknowledge and agree that environmental conditions and risks were factored into entering into this Agreement and the purchase price of the Property and that Developer's environmental indemnities benefiting County shall be as broadly and liberally construed as possible so as to provide the maximum protection possible to the County from liability, and the Developer hereby further waives any right to argue that for any reason this indemnification section is ambiguous or confusing or that it should in any way be construed against County.

(c) Notwithstanding anything else to the contrary herein, Developer shall be released from its obligations under section 4.14 if (i) County exercises its option to repurchase pursuant to section 3.1 but only regarding such contamination that existed prior to the Closing or (ii) there is migration of Hazardous Materials from any County owned property to the Property, and such migration of Hazardous Materials is actively caused by the County, but only regarding such contamination actively caused by the County.

4.15 WPI hereby guarantees the performance of all of Developer's obligations hereunder and by the date of execution of this Agreement, shall execute a guaranty in a form approved in writing by the County, and attached hereto as **Exhibit I**.

4.16 Developer shall for itself, and cause Seller to, execute and record an original of the Memorandum of Development Agreement, at the Milwaukee County Register of Deeds Office, against the Property, immediately after executing this Agreement in the form attached hereto as **Exhibit J**, (and prior to any other encumbrance or document), and provide a recorded original to the County promptly thereafter.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first written above.

[Execution Pages Follow]

DEVELOPMENT AGREEMENT  
MILWAUKEE COUNTY  
EXECUTION PAGE

MILWAUKEE COUNTY

By: \_\_\_\_\_  
Name: Chris Abele  
Its: County Executive

Attest:  
By: \_\_\_\_\_  
Name: Joseph J. Czarnezki  
Its: County Clerk

STATE OF WISCONSIN     )  
  ) SS  
COUNTY OF MILWAUKEE    )

This instrument was acknowledged before me on \_\_\_\_\_, 2012 by Chris Abele as County Executive of Milwaukee County.

\_\_\_\_\_  
( \_\_\_\_\_ )  
Notary Public, State of Wisconsin  
My Commission \_\_\_\_\_

STATE OF WISCONSIN     )  
  ) SS  
COUNTY OF MILWAUKEE    )

This instrument was acknowledged before me on \_\_\_\_\_, 2012 by Joseph J. Czarnezki, as County Clerk of Milwaukee County.

\_\_\_\_\_  
( \_\_\_\_\_ )  
Notary Public, State of Wisconsin  
My Commission \_\_\_\_\_

Approved for Execution by Corporation Counsel

By: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_  
Its: Milwaukee County Risk Manager





# CERTIFIED SURVEY MAP NO. \_\_\_\_\_

ALL OF PARCELS 1 - 3, INCLUSIVE, OF CERTIFIED SURVEY MAP NO. 8032, RECORDED ON MARCH 10, 2008 AS DOCUMENT NO. 9569841, BEING A DIVISION OF PART OF LOTS 1 THROUGH 12, INCLUSIVE, IN BLOCK 125, IN THE FRACTIONAL WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 21, TOWN 7 NORTH, RANGE 22 EAST, IN THE CITY OF MILWAUKEE, MILWAUKEE COUNTY, WISCONSIN

## SURVEYOR'S CERTIFICATE

STATE OF WISCONSIN)

);SS

MILWAUKEE COUNTY)

I, BAIBA M. ROZITE, Registered Land Surveyor, hereby certify:

THAT I have surveyed, divided and mapped all of Parcels 1-3, inclusive, of Certified Survey Map No. 8032, recorded on March 10, 2008 as Document No. 9569841, being a division of Part of Lots 1 through 12, inclusive, in Block 125, in the Fractional West 1/2 of the Southwest 1/4 of Section 21, Town 7 North, Range 22 East in the City of Milwaukee, Milwaukee County, Wisconsin, bounded and described as follows:

Commencing at the Southwest corner of said Southwest 1/4 Section; Thence North 0°32'26" West, 920.91 feet along the West line of said quarter section to the North line of East Ogden Avenue, extended Westerly; Thence North 88°58'43" East, 256.08 feet along said North line to the Point of Beginning of this description said point being on the East line of North Milwaukee Street; Thence North 0°54'11" West, 363.14 feet along said East line to the South line of East Lyon Street; Thence North 88°55'21" East, 255.44 feet along said South line to the West line of North Jefferson Street; Thence South 1°03'14" East, 363.39 feet along said West line to the North line of East Ogden Avenue; Thence South 88°58'43" West, 256.40 feet along said North line to the Point of Beginning. Said parcel contains 92,969 square feet or 2.134 acres of land, more or less.;

THAT I have made the survey, land division, and map by the direction of Park East Square, LLC, an Illinois limited liability company, owner of said land.

THAT the map is a correct representation of all exterior boundaries of the land surveyed and the land division thereof made.

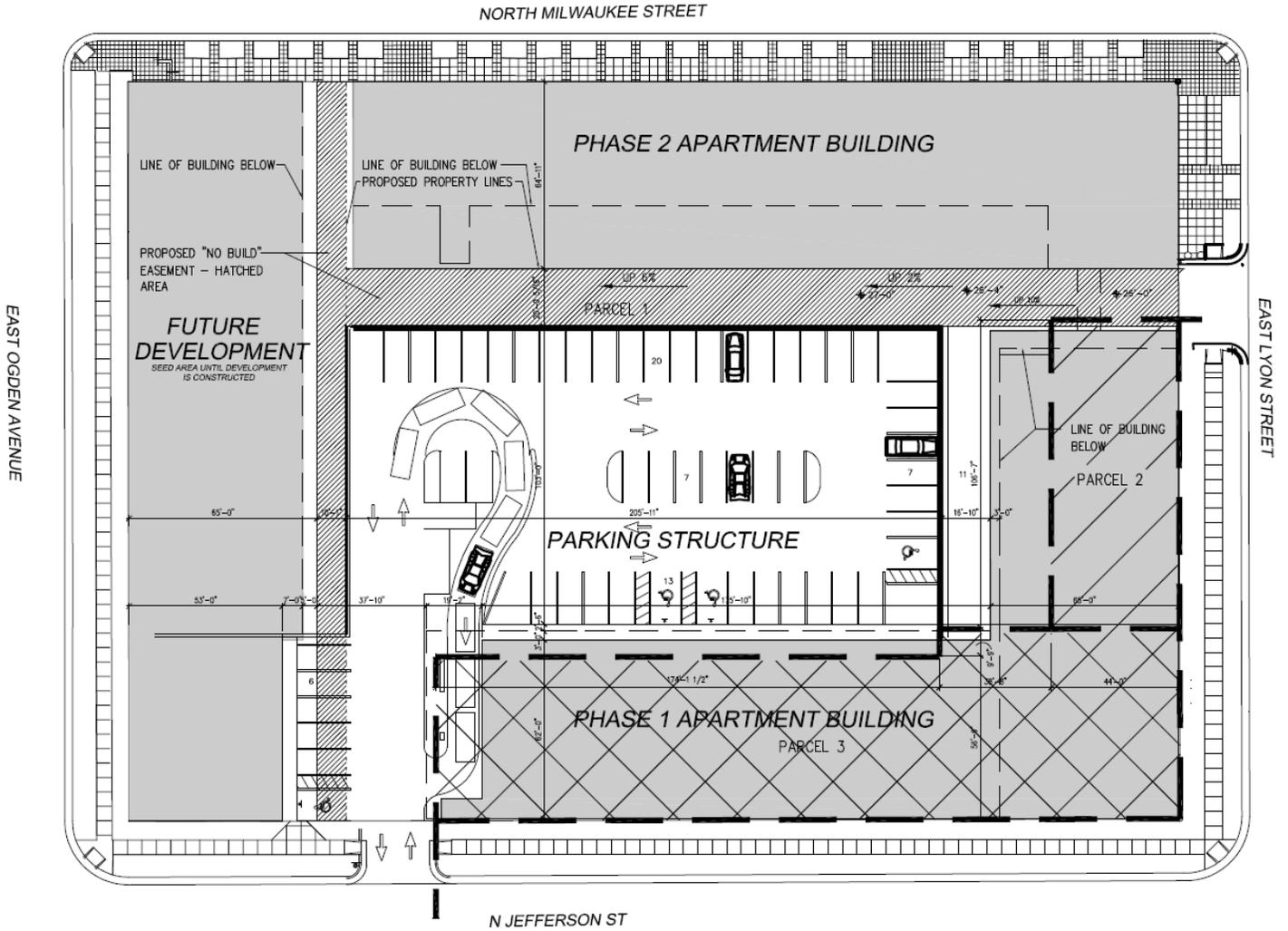
THAT I have fully complied with s. 236.34 of the Wisconsin Statutes and Chapter 119 of the Milwaukee Code of Ordinances in surveying, dividing and mapping the same.

\_\_\_\_\_  
(SEAL)

Baiba M. Rozite, RLS

# EXHIBIT A-2

## Preliminary Parcel Plan



PROPOSED PARCEL PLAN - UPPER LEVEL





## EXHIBIT B-1

### Project Description

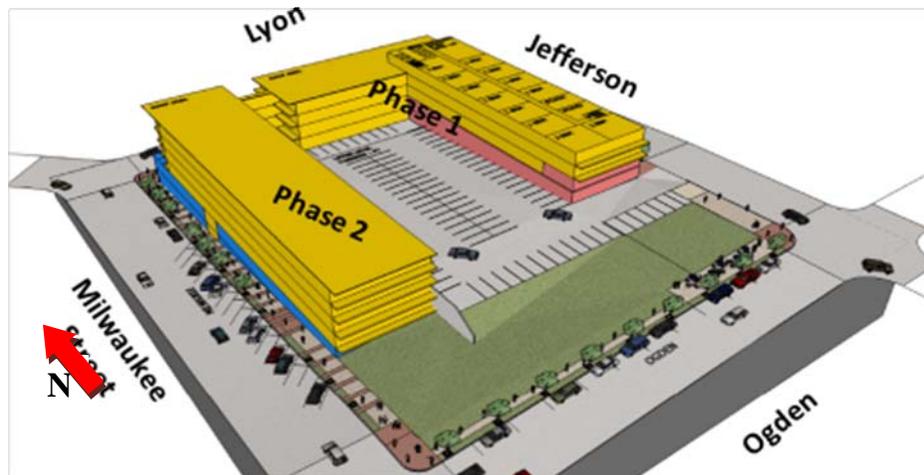
The Park East Square is a mixed use development which includes three phases on this 2.1 acre premier site in downtown Milwaukee. Phase 1 and Phase 2 are described below. Phase 3 is a future development that is not incorporated in this agreement.

**Phase 1:** 86 unit market rate rental residential with 14,640 square feet of retail space and 246 parking spaces.

Phase 1 is located along Lyon and Jefferson. The Phase 1 building is designed as a five story building along Jefferson with 14,640 square feet in the first level directly across the street from the Point East Commons retail center, and a four story building along Lyon. Parking for the residents is located within the building at its two lowest levels. Parking for the public and retail users is planned on the southwest side of the building with access from Lyon for the lower level and access from Jefferson for the upper level.

**Phase 2:** 95 unit market rate rental residential building located on Milwaukee Street and attached to the Phase 1 86 unit building.

Phase 2 is located along Milwaukee Street and will be a five story building similar in design to Phase 1. The primary access is planned to be on Milwaukee Street.



**EXHIBIT B-2**

Building Description

**Site  
Southwest Aerial View**



# EXHIBIT B-3

## Building Description

### Northeast View



EXHIBIT C

County Board Resolution File No. 04-492



COUNTY BOARD RESOLUTION  
FILE NO. 04-492

EXHIBIT "C"  
Page 1 of 5

COUNTY CLERK

*Milwaukee County*

MARK RYAN • County Clerk

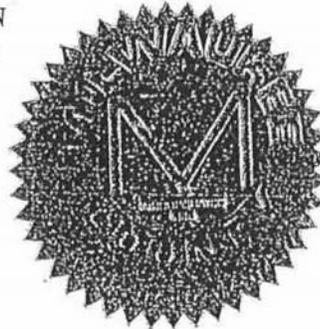
STATE OF WISCONSIN        )  
  )SS  
COUNTY OF MILWAUKEE    )

I, Mark Ryan, County Clerk in and for the County of Milwaukee, State of Wisconsin, do hereby certify that the attached copy of File No. 04-492 is a true and correct copy of the original resolution duly adopted by the Milwaukee County Board of Supervisors at a meeting held on December 16, 2004.

Given under my hand and official seal, at the Milwaukee County Courthouse, in the City of Milwaukee, this 14th day of February, 2005.

A handwritten signature in cursive script that reads "Mark Ryan".

MARK RYAN  
County Clerk



04-492-1067

IEC 16 2004

*Ispted*

15-4

2-3-05

*Voted by the Co. Exec.*

*Veto overridden*

15-4

1 By Supervisors Johnson, Coggs-Jones, Broderick, Dimitrijevic, Clark, West, White,  
2 Holloway, Weishan, Quindel, DeBruin



EXHIBIT "C"  
Page 2 of 5

3  
4 DEC 16 2004

A RESOLUTION FILE NO. 04-492

5  
6 To create the Community and Economic Development (CED) Fund and adopt the Park East  
7 Redevelopment Compact (PERC) in order to provide additional sustainable community  
8 benefits for the development of the County Park East land.

9  
10  
11 WHEREAS, Milwaukee County will seek the sale of significant real estate assets,  
12 including approximately 16 acres of land in the Park East freeway corridor and these  
13 lands represent tremendous assets held in trust by Milwaukee County for the benefit of  
14 the citizens of this County. This revenue has been used in various ways, but often it has  
15 been used to offset basic operating expense or tax levy; and

16  
17 WHEREAS, while offsetting tax levy to fund operating expense is a tool that is  
18 sometimes necessary, such major sales should provide a longer-term and sustainable  
19 benefit to the community. True stewardship of these major public resources requires that  
20 their sale provide a benefit for the citizens; and

21  
22 WHEREAS, the redevelopment of the Park East land, by itself, using private  
23 development, will not take advantage of unique opportunities to provide sustainable  
24 community benefits especially to those in most need of jobs; and

25  
26 WHEREAS, adoption of the Park East Redevelopment Compact (PERC), as  
27 provided in this resolution, will provide the best opportunity to provide increased jobs  
28 and tax base not only on this land, but also for the entire community; and

29  
30 WHEREAS, this resolution also provides for the creation of a Community and  
31 Economic Development (CED) Fund. The CED (pronounced 'seed') Fund would be  
32 comprised of a series of programs designed to address 'gap' needs in the marketplace and  
33 it is not intended to reproduce resources that are available either in the commercial  
34 marketplace or through other public resources; and

35  
36 WHEREAS, the CED Fund recognizes that there are areas where the market does  
37 not make available the resources required for sustainable development and by providing  
38 those resources, the Fund seeks to be a catalyst that will enable businesses to develop  
and grow, communities to prosper, and the lives of all of our citizens to be enriched; and

WHEREAS, this Fund would be endowed with all net revenue generated by the  
sale of land in the Park East Corridor and be used to carry out this resolution for the Park  
East Redevelopment Compact (PERC); and

APPROVED AS TO FORM

39 WHEREAS, in the future, with the exception of revenue allocated to other  
40 purposes by statute, ordinance, resolution, or budget action, revenue produced by the  
41 sale of real estate assets (except park land sales) may be allocated to the CED Fund by the  
42 County Board at the time of each sale; and

43 The following are some possible uses of the CED Fund:

- 44
- 45 • Minority Business Working Capital
  - 46 • Small & Minority Business Contract Financing
  - 47 • Housing Development
  - 48 • Neighborhood Business Development
  - 49 • Economic Development
  - 50 • Environmental Mitigation/Brownfields
  - 51 • Carry out Park East Redevelopment Compact (PERC); now therefore,
- 52

53 BE IT RESOLVED that this resolution adopts the principle and creation of the  
54 Community Economic Development (CED) Fund and adopts the Park East  
55 Redevelopment Compact (PERC) with the specifics of the policies and procedures to  
56 implement this resolution to be adopted separately by the County Board; and

57 BE IT FURTHER RESOLVED, that the following Park East Redevelopment Compact  
58 (PERC) establishes the policies for the sale of the County's Park East land to achieve the  
59 goal of providing additional sustainable community benefits for the development of this  
60 land:

- 61 1. Competitive Development Agreements  
62 Each parcel of Park East land will be sold through a competitive Request for Proposals  
63 (RFP) which shall be reviewed and approved by the County Board. Milwaukee  
64 County should not just sell the land for the highest price offered but rather should  
65 seek development proposals which will provide the greatest future benefit in jobs, tax  
66 base and image for the community, as well as, a fair price. The policies to carry out  
67 the PERC will be contained in the RFP and the final legal requirements will be  
68 included in each development contract. These contracts will be for 27 years or until  
69 the Tax Incremental District (TID) is terminated. (A parcel may be all or part of one or  
70 more blocks as contained in the each RFP.)  
71
- 72 2. Cooperation with Existing Organizations  
73 Milwaukee County will cooperate with and use existing governmental and private  
74 organizations, programs and funding sources whenever possible to carry out these  
75 PERC policies.  
76
- 77 3. Community and Economic Development Fund (CED)  
78 The County CED fund may be used to carry out these PERC policies whenever other  
79 funding is not available. The CED fund is described in other parts of this resolution.

- 81  
82 4. Disadvantaged Business Enterprise (DBE)  
83 Milwaukee County will include their current DBE policies, as they apply to county  
84 construction contracts, in all RFP's and development contracts. The Office of  
85 Community Business Development Partners shall assist in administering this  
86 provision.  
87
- 88 5. Enhanced Apprenticeship and Training  
89 All RFP's and development contracts shall contain additional apprenticeship and  
90 training requirements, using existing agencies whenever possible. Participation in  
91 County sponsored training shall meet county established income and residency  
92 requirements.  
93
- 94 6. Local Employment and Coordination  
95 Milwaukee County will hire one or more non-profit community economic  
96 development agencies to assist in coordinating the DBE, training and local  
97 employment requirements. All employment vacancies for developers, contractors,  
98 trainees, owners and tenants, who will work on the County Park East land, will be  
99 required to be provided to the County and the County's designated coordinating  
100 agencies, so that they may assist local applicants to apply for these vacancies. This  
101 requirement will end with the TID.  
102
- 103 Milwaukee County and many in the community have as a goal that the workforce on  
104 the Park East property reflect the racial diversity of Milwaukee County. The  
105 Milwaukee County Board and the community asks and expects businesses and  
106 contractors to make a good faith effort to employ racial minorities consistent with  
107 their numbers in the County's workforce. (The 2000 county census population (over  
108 age 18) was 68.7% White, 20.4% Black, 7.2% Hispanic and 3.7% other). Reports  
109 will be required to determine whether this goal is being achieved.  
110
- 111 7. Prevailing Wages and Employment Data  
112 All RFP's and development agreements will require the payment of prevailing wages  
113 for construction employees as is now required for most public works projects.  
114 Developers, owners and tenants will be required to provide an annual report to  
115 Milwaukee County with the number of non-construction full and part time employees  
116 working on the Park East project. Milwaukee County will develop the required report  
117 which will include the wage ranges and whether employees have health or retirement  
118 benefits. This report will be designed to help measure the job impact of the PERC.  
119 This requirement will end with the TID.  
120
- 121 8. Affordable Housing  
122 Milwaukee County will sponsor the construction of new affordable housing of not less  
123 than 20% of the total housing units built on the County's Park East lands but they may  
124 be built on other infill sites in the city of Milwaukee. The County, in each RFP for any

125 given parcel, may require a different percentage of affordable housing or have no  
126 requirement at all. The County may use funds from existing housing programs along  
127 with County funds to meet this requirement.

128

129 9. Green Space and Green Design

130 Milwaukee County will require that green space and green design be specifically  
131 included in all proposals submitted in response to an RFP. The County will consider  
132 this information when evaluating and selecting a final developer for each parcel.

133

134 10. Community Advisory Committee and Administration

135 A Community Advisory Committee will be appointed by the Chairman of the County  
136 Board, after the adoption of the PERC, which shall advise the County Board on  
137 implementing the PERC policies. This committee shall continue until the Tax  
138 Incremental District is completed for the PERC area. The Director of Economic and  
139 Community Development shall assist this committee in preparing an annual report to  
140 the County Board on the effects of the PERC policies. The Director of Economic and  
141 Community Development shall administer the PERC agreements with the primary  
142 goal to achieve the desired community benefits.

143

144 BE IT FURTHER RESOLVED, that Milwaukee County should seek the input of  
145 business and community leaders to assist in carrying out the PERC and CED Fund policies.

146

147

148 10/28/04

149 I:\My Documents\PARK EAST REDEVELOPMENT\Resolution.doc

150 GB/d

151

## EXHIBIT D

### Approved City "Project" Plans



Department of City Development

City Plan Commission  
Historic Preservation Commission  
Neighborhood Improvement  
Development Corporation  
Redevelopment Authority

**Rocky Marcoux**  
Commissioner

**Martha L. Brown**  
Deputy Commissioner

May 30, 2012

Mr. Craig C. Dillman  
Manager of Real Estate Services  
Milwaukee County, Department of Administrative Services  
2711 W. Wells Street, Room 102  
Milwaukee, WI 53208-3531

Dear Mr. Dillman:

Subject: Park East, Block 26

The purpose of this letter is to advise you that the preliminary design for Park East, Block 26 appears to meet the development code requirements. On February 29, 2012, Department of City Development Planning staff met with Wangard Partnership and Legat Architects regarding the proposed mixed-use residential, with first floor commercial, building in the block bounded by East Ogden Street, North Jefferson Street, East Lyon Street and North Milwaukee Street.

We noted a few details that need additional development, such as the glazing treatment at the north wall of the parking garage and the landscaping/edge treatment at the parking entrance at Jefferson Street. With some minor refinements, the code requirements should be met. We also discussed revising the Certified Survey Map to adjust the new parcel line, as well as an interim landscape strategy for the southwest portion of the block. If you have any further questions, please contact Ms. Vanessa Koster, Planning Manager, directly at 286-5716. We look forward to our continued cooperative approach to redeveloping the Park East and moving this proposal forward.

Sincerely,

Rocky Marcoux  
Commissioner

c: Robert Dennik, VJS Construction

809 North Broadway, Milwaukee, WI 53202-3617 (414) 286-5800  
[www.mkedcd.org](http://www.mkedcd.org) (Department of City Development)  
[www.choosemilwaukee.com](http://www.choosemilwaukee.com) (Milwaukee Business Information)

## EXHIBIT E

### Project Costs

#### Phase 1 Project Cost

Land Acquisition	\$ 1,825,000
Hard Costs:	\$13,375,000
Soft Costs:	<u>\$ 5,085,000</u>
<b>TOTAL</b>	<b>\$20,285,000</b>

#### Phase 2 Project Cost

Land Acquisition	\$ 1,250,000
Hard Costs:	\$11,000,000
Soft Costs:	<u>\$ 2,500,000</u>
<b>TOTAL</b>	<b>\$14,750,000</b>

EXHIBIT F

County "Project" Approval Board Resolution File No. \_\_\_\_\_

**EXHIBIT G**

Construction Schedule

Phase 1

Project Commencement Date  
- Commencement of Excavation: 09/30/2013  
Excavation Completion Date  
- Completion of Excavation & Commencement of Construction:  
11/30/2013  
Project Completion Date  
- Completion of Construction: 03/30/2015  
(16 mths)

Phase 2

Project Commencement Date  
- Commencement of Excavation: 07/01/2016  
Excavation Completion Date  
- Completion of Excavation & Commencement of Construction:  
09/01/2016  
Project Completion Date  
- Completion of Construction: 01/01/2018  
(16 mths)

EXHIBIT H

Approved PERC Compliance Plan

**EXHIBIT H**

**Community Business Development Partners**



**MILWAUKEE COUNTY**

**MARINA DIMITRIJEVIC** • Chairwoman, Milwaukee County Board of Supervisors  
**FREIDA WEBB** • Director, Community Business Development Partners

DATE: May 25, 2012

TO: Steve Wangard, Principal  
Wangard Partners Inc. and  
Pamela Opyd, Gateway Advisors

FROM: Freida Webb, Director  
Community Business Development Partners (CBDP),  
Disadvantaged Business Enterprise Program (DBE)  
Milwaukee County  
Milwaukee, WI 53208

RE: Wangard Partners Park East Corridor Redevelopment Project  
Park East Square Block, Park Eat Two, LLC  
Project Participation Plan 2012 per  
Milwaukee County Park East Redevelopment Compact (PERC)

Upon our meetings and review of the above Plan as of May 25, 2012, Milwaukee County CBDP Department has determined it includes and reflects the goals and intent of the Milwaukee County Park East Redevelopment Compact goals.

All parties have committed to continue to work together for the life of the Project to maintain and monitor compliance regarding the Milwaukee County PERC/DBE goals and our mutual interest as well as overall project success.

Feel free to contact me if anyone has questions and or concerns at 414-278-4803.

A handwritten signature in black ink, appearing to read "Freida Webb".

Freida Webb, Director  
Community Business Development Partners (CBDP)

MILWAUKEE COUNTY - CITY CAMPUS • 2711 WEST WELLS STREET, 8<sup>TH</sup> FLOOR, ROOM 830 • MILWAUKEE, WI 53208  
TELEPHONE (414) 278-5248 • FAX (414) 223-1958

## **EXHIBIT H**

**Park East Two, LLC.  
Park East Redevelopment Compact (PERC)  
Project Participation Plan**

### **Park East Corridor Redevelopment Project**

### **Park East Square — Block 1 Park East Two, LLC. Project Participation Plan 2012**

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4/17/2012

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# EXHIBIT H

Park East Two, LLC.  
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## SECTION 1: Introduction/Executive Summary

### Park East Two, LLC. Redevelopment Compact Plan Overview

Park East Two, LLC., proposes to enter into an agreement with Milwaukee County to meet the Milwaukee County Park East Redevelopment Compact (PERC) requirements for: 1) Disadvantaged Business Enterprise (DBE) participation in construction, professional services and other services, 2) Prevailing wages, 3) Job creation for Milwaukee County residents and underrepresented racial minorities.

It is the intent of Park East Two, LLC. to successfully establish relationships with certified DBE construction contractors and professional service providers to participate on construction projects awarded for the Park East Corridor Redevelopment Project Blocks. It is the intent of Park East, Two LLC. to provide employment opportunities for Milwaukee County residents and to adhere to labor standards related to prevailing wages on its construction projects.

Park East Two, LLC. understands the necessity of timely payments and is committed to assisting DBE construction contractors and professional service providers to ensure all subcontractors are treated fairly and each subcontractor is provided with ample assistance, guidance and time to ensure correct and complete pay application documentation is submitted according to payment schedules and timely payments are consistently made.

### **Development Location**

The property is comprised of Lots 1 and 2, Block 26 and the alley located between Lots 1 and 2, Block 26 in the City of Milwaukee Park East Redevelopment Plat and also identified as Block 1 of the Park East Development Plat, east of the Milwaukee River. This 2.1 acre premier site in downtown Milwaukee is bounded by East Lyon Street on the north, North Jefferson on the east, East Ogden Avenue on the south and North Milwaukee Street on the west. Phase 1 of the project, which is located along Jefferson and Lyon Streets, across the street from the East Pointe Crossing shopping center.

### **Development Scope**

Park East Two, LLC. plan is to provide both a vibrant development and economic stimulant to the City and County of Milwaukee and the Park East Corridor. The plan includes a total project size of approximately 175,000 square feet comprised of approximately 86 luxury rental units as well as 14,640 square feet of retail space and 246 parking spaces.

### **Park East Redevelopment Compact Requirements (PERC)**

The Park East Two, LLC., Project Participation Plan has been designed to guide building contractors, professional service providers and major vendors with coordination, execution and reporting metrics of DBE construction and professional services participation and achievement of other PERC requirements. PERC guidelines and reporting requirements:

**25% DBE construction participation Including Architect and Engineer**  
**17% DBE participation in professional services (excluding A&E)**  
**Prevailing wage labor standard**  
**Construction jobs created, 25% underrepresented racial minorities**

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Resource connections are established and maintained with the assistance of the Park East Two, LLC. PERC coordinator to engage DBE firms for project inclusion and to connect Milwaukee County residents with employment opportunities. The Park East Two, LLC., Coordinator (TRG / Business Partners Network LLC.) will collaborate with the Community Business Development Partners (CBDP) office and the Park East Two, LLC. Construction Manager in DBE community outreach, capacity building (DBE firms), employment partnerships and joint ventures, and acute engagement with underrepresented racial minorities residing in Milwaukee County to assure workforce compliance.

Copies of all required reporting forms are provided in this document. Access to electronic versions of these forms are available upon request.

### SECTION 2: Participation Plan Definitions

#### DEFINITIONS

In addition to those definitions set forth elsewhere in this document, when used in this Participation Program, the following terms (whether used in singular or plural tense) shall have the meanings identified below:

- A. **"Broker"** is defined as a provider of materials or supplies, who is not authorized as a bona fide, factory authorized wholesaler. A Broker may inventory "like or similar" parts but does not hold a valid "wholesalers" agreement with the manufacturer of the goods they resell. A Broker may serve a useful business function, but Participation Credit is limited.
- B. **"Certified"** applies to a business or person that meets the requirements of certification for Disadvantaged Business Enterprise.
- C. **"Certifying Agency"** shall apply to Milwaukee County Community Business Development Partners (CBDP) and any **Wisconsin Unified Certification Program (WIUCP) partner** for granting "Certified" status to businesses that seek and obtain the designation as Disadvantaged Business Enterprise.
- D. **"Community Business Development Partners"** refers to the Milwaukee County office designated to oversee the DBE requirements on the Park East Corridor projects.
- E. **"Construction Services"** means providing any service directly related to or pertaining to the construction on Park East Two, LLC. projects and any other functionally related or auxiliary facilities or structures. This definition excludes professional services such as Construction Management, Program Participation Coordination and Monitoring, Legal, Design, Architectural and Engineering Services, Accounting, Public Relations, Media, Travel, Promotions, Insurance, etc. and applies to traditional on site trade construction and repetitive hauling activities.
- F. **"Contracting Threshold"** is an accumulative calculated value of first tier Contractor's annual contract awards, which exceeded in any sliding twelve month period, will automatically require the Contractor to begin obtaining Participation on each additional dollar award, above this value, at the levels herein noted. It is the responsibility of the Contractor to keep track of the accumulated value of their contracts and to begin obtaining participation when the "Contract Threshold" is exceeded.
- G. **"Contractor"** for this document shall apply to each firm providing Construction or Professional Services, under direct contract with Park East Two, LLC. or its Construction Manager. This definition includes Certified DBE firms operating at "First Tier" level.

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Park East Redevelopment Compact (PERC)**

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- H. **“DBE” or “Disadvantaged Business Enterprise”** is a for-profit business concern that is at least 51% owned, operated, and controlled by one or more individuals and certified by Milwaukee County under CFR 49 Part 26 and any Wisconsin Unified Certification Program (WIUCP) partner.
- I. **“Exempt”** shall apply to written and specific items for which the CBDP office has granted a “Waiver” from meeting a specific Participation requirement. The CBDP shall have the right to “Exempt” specific Park East Redevelopment expenditures from the Participation Plan for cause. (See “Certificate of Good Faith Efforts” document)
- J. **“First Tier Contractor”** – See Contractor
- K. **“Good Faith Efforts”** is a term that applies to a Contractor’s efforts to solicit and utilize DBE firms to meet the DBE participation requirements of the contract award guided by CFR 49 Part 26 and Chapter 42 of the Milwaukee County Ordinances, which requires good faith effort (GFE) to achieve participation of certified Disadvantaged Business Enterprise firms on contracts.
- L. **“Joint Venture”** means an association of two or more businesses to carry out the work of a single business enterprise, for which purpose they combine their property, capital, efforts, skills, and/or knowledge as defined in 49 CFR.
- M. **“Manufacturer” or fabricator** is a firm that substantially alters raw materials, adding value through this process and subsequently provides the altered product(s) to projects without providing installation services.
- N. **“Milwaukee County Resident”** – for the purposes of this document shall mean a person who maintains his or her place of permanent abode within Milwaukee County. Domiciliary intent is required to establish that a person is maintaining his or her place of permanent abode in Milwaukee County. Mere ownership of property is not sufficient to establish domiciliary intent. Evidence of domiciliary intent includes, without limitation, the location where a person votes, pays personal income taxes, or obtains a driver’s license.
- O. **“Park East Redevelopment Corridor”** refers to the Milwaukee County Park East land in the Park East freeway corridor.
- P. **“Park East Redevelopment Compact (PERC)”** refers to the section of the Milwaukee County Board resolution adopted in order to provide additional sustainable community benefits from the development of the County Park East land.
- Q. **“Park East Redevelopment Compact Coordinator”** applies to the team led by TRG / Business Partners Network LLC.– a firm retained by Park East Two, LLC. (developer) to coordinate the execution of PERC requirements and assure DBE firms and Milwaukee County residents are given every opportunity to participate on Park East Two, LLC. development projects in the Park East Corridor. ALL Park East Two, LLC. Service Providers are required to respond to and provide requested documentation when requested to do so, by the PERC Coordinator, in a timely manner. The PERC Coordination Project Manager is John Rodell of TRG / Business Partners Network LLC., Phone 262.391.0592. Email [JERodell@wi.rr.com](mailto:JERodell@wi.rr.com).
- R. **“Participation Credit”** when referring to expenditures shall mean the amount of money spent with DBE firms (construction, professional services and other services) and allowed to count towards meeting the Participation Level requirements on the Park East Projects. When referring to the workforce, the term shall mean the number of FTE construction jobs and permanent jobs created for persons who qualify as Milwaukee County residents and allowed to count towards job creation from the Park East Two, LLC. Park East Projects.
- S. **“Participation Level”** shall dually mean (1) the percentage of planned participation by DBE firms and/or Persons to be achieved by each individual Contractor or Park East Projects as a whole, when addressed in the Aggregate – and

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(2) the required number of jobs provided for Milwaukee County residents and/or Persons – as established in Section II of this Participation Program.

- T. **“Prevailing Wages”** refers to the minimum wage rates required to be paid for construction employees as determined by the State of Wisconsin Department of Workforce Development.
- U. **“Prime Contractor”** shall mean any Contractor receiving its contract directly from Park East Two, LLC. or its Construction Manager (CM) for work on any Park East Two, LLC. Park East Project.
- V. **“Professional Services & Other Services”** The definition specifically includes, but is not limited to: Construction Program/project Management, Program/project Coordination, Legal, Architectural and Engineering Services, Accounting, Public Relations, Media, Travel, Promotions, Insurance and related services. Other services includes, but not limited to, janitorial, security.
- W. **“Remedial Plan”** applies to any corrective action plan required by and /or provided by the Contractor to CDBP and Park East Two, LLC. and its PERC Coordinator to meet Participation Plan and contractual requirements.
- X. **“Sanctions & Sanctions Policy”** **Sanctions** are monetary and/or other actions that may be taken by Park East Two, LLC. and/or its designee with Contractors who fail to meet any of the Park East Two, LLC. PERC requirements or other Contractor contractual obligations.

**Sanctions Policy** is the procedure Park East Two, LLC. has developed to administer the application of sanctions.

- Y. **“Sole Source”** shall apply to a product, service or building specifications issued by a Professional Service Provider where it creates a market condition whereby only a limited number of Service Providers (Contractors, Manufacturers, or Suppliers etc.) can reasonably provide the specified product or service being specified for a project or scope of work. The practice limits competition and creates a situation where Participation by DBE firms may not be possible. Service Providers should refrain from establishing such specifications unless approved by the CDBP office.
- Z. **“Wholesaler”** or Distributor shall mean a for-profit business concern that maintains an inventory of like or related products and ships from stock the same or similar products to be sold onto the MILWAUKEE COUNTY CDBP projects. The firm must have a bona fide long-term contractual agreement to resale product(s) with the manufacture of the goods to be sold. To qualify as a “Wholesaler” the business must not be limited to selling its product(s) to a narrow clientele or geographic base.

### SECTION 3: Participation Requirements

#### A. DISADVANTAGED BUSINESS ENTERPRISE (DBE) FIRMS

Milwaukee County Office of Community Business Development Partners (CDBP), consistent with the requirements of the Milwaukee County Park East Redevelopment Compact (PERC), has established the following provisions for economic participation of Disadvantaged Business Enterprises (DBE). In executing these Participation requirements, the CDBP seeks to increase substantive participation of DBE Firms, working to eliminate barriers that deny them equal opportunity to perform on projects.

##### 1. Eligibility

For Milwaukee County Park East Redevelopment projects DBE firms are for-profit organizations **certified** as Disadvantaged Business Enterprises at the time of bid.

##### 2. DBE Utilization Requirements

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The Office of Community Business Development Partners (CBDP) administers the provision of the Park East Redevelopment Compact that ensures compliance with CFR 49 Part 26 and Chapter 42 of the Milwaukee County Ordinances, which requires good faith effort (GFE) to achieve participation of certified Disadvantaged Business Enterprise (DBE) firms.

CBDP reserves the right to adjust more or less participation to DBE categories, as it deems necessary to meet the PERC program requirements, based upon knowledge of the available DBE firms to perform on specific project work.

Unless otherwise specified, Contractors are required to achieve the following:

- o **25% DBE Construction Participation and Architect Engineer**
- o **17% DBE Professional Services and Other Services Participation (excluding A&E)**

Prime Contractors must submit with its bid forms **DBE-02, and DBE-14; "Commitment to Contract with DBE Firms"**

Listing a DBE on the "Commitment to Subcontract with DBE Firms" form shall constitute a written representation and commitment that the Prime Contractor has communicated and negotiated directly with the DBE firm(s) listed **prior to the bid due date**, and that it will use the listed firm(s). If awarded the contract, the Prime Contractor will enter into a subcontract agreement with the DBE firm(s) for the work and price set forth on the commitment form. Subcontractor agreements must be submitted with the first payment application.

### **B. PREVAILING WAGES**

All Park East development agreements require adherence to payment of prevailing wages for construction employees. Park East Two, LLC. is required to provide a report to Milwaukee County CBDP office with wage and employment data on all hires identified by race and indicating wages, full/part time status and benefits. The report requirement is intended to help measure the job impact of the PERC providing evidence of "additional sustainable community benefits from the development of the County Park East land."

Each month, the Contractor shall prepare and submit accurate and timely prevailing wages documentation attached to payment application.

Failure to submit the required documentation and reports may result in disqualification of future bids, delay of payments, or other appropriate actions as identified in Section 9: Compliance, Remedies and Sanctions.

### **C. LOCAL EMPLOYMENT AND COORDINATION**

#### **Construction Jobs Created**

The Milwaukee County Board and the community asks and expects businesses and contractors to make a good faith effort (GFE) to employ Milwaukee County residents providing increased jobs and tax base on the land development. The PERC requires Contractors to make a good faith effort to employ racial minorities consistent with their percentages within the County's working age population as of the most recent decennial US Census.

Park East Corridor developers shall strive for a project workforce that is at least 25% racial minorities. All contracting entities on the project site will be asked to provide a listing of construction job vacancies to Park East Two, LLC. PERC Coordinator so that local applicants can be notified and assisted in applying for the vacancies.

All individuals employed through this project must be confirmed as Milwaukee County residents before their employment can be counted for Participation Credit.

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## SECTION 4: Calculation of Participation Levels

### 1. Commitment.

As a condition of receiving a contract on the Project, each Contractor shall agree not to discriminate against any person or business on the basis of sex, race, color, national origin, sexual orientation, religious belief, age or disability. Contractors further shall agree to take affirmative action to ensure that DBE Firms have the maximum opportunity to compete for and substantively perform on the Project. Accordingly, each Contractor shall commit to achieve the Participation requirements established in the preceding sections.

All construction bidders further commit by submitting their bids that they will not require DBE firms to engage in *exclusive relationships* with them (other than Joint Venture relationships) as a condition to their participation in the Construction Services being bid. Bidders, who engage in such restraint of trade or attempts to monopolize utilization of DBE firms, may have their bids rejected.

### 2. DBE Participation Credit

The DBE participation credited towards the contract goals for both DBE and non-DBE Prime Contractors is calculated on the following criteria:

- a. One hundred percent (100%) participation credit will be allowed for all work self performed where the Prime Contractor is a DBE firm. DBE firms at the first tier are encouraged to subcontract with other DBE firms.
- b. One hundred percent (100%) participation credit will be granted for all contracts awarded to certified DBE firms if all of the identified scope of work has a commercially useful function in the actual work of the contract and is performed directly by the listed certified DBE firm with its own workforce. CBDP shall determine and evaluate whether or not the firm is performing a commercially useful function on the project.
- c. One hundred percent (100%) participation credit granted for contracts held with lower tier DBE subcontractors. Credit is granted at 100% for all material purchased and installed by a DBE subcontractor.
- d. One hundred percent (100%) participation credit will be granted for contracts held with lower tier DBE subcontractors who subcontract with other DBE firms. If DBE further subcontracts a portion of its work to another firm, the value of the subcontracted work will be counted towards DBE goals only if the work is performed by another DBE firm.
- e. One hundred percent (100%) participation credit will be granted for the cost of all material and supplies purchased and installed by the DBE for the work of the project. Credit shall also be given for the cost of leasing equipment provided the DBE subcontractor does not lease the equipment from the Prime Contractor or Construction Manager or its affiliates.
- f. One hundred percent (100%) participation credit for all purchases for materials or supplies from DBE Manufacturers or fabricators. This includes concrete "manufacturers." A DBE manufacturer is a firm that operates or maintains a factory or establishment that produces on the premises goods from raw materials or substantially alters the materials or supplies obtained by the contractor.

*CERTIFICATION ALONE IS NOT ACCEPTABLE. Contractors should submit a copy of the official and legal wholesale distributor agreement(s) between the supplier and the manufacturer for all brands to be supplied by the wholesaler. If legal agreements are not provided, products supplied by the wholesaler may not be counted for Participation Credit, or at best - credit towards participation will be limited to the amount of profit actually realized by the supplier.*

- g. Sixty percent (60%) participation credit will be granted on expenditures for materials or supplies purchased from a certified DBE "Regular Dealer." A Regular Dealer is a firm that owns, operates, or maintains a store,

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warehouse, or other establishment in which the materials or supplies are kept in stock, and regularly sold to the public in the usual course of business. A Regular Dealer in such bulk items as steel, cement, gravel, stone and petroleum products need not keep such products in stock, if it owns and operates distribution equipment.

- h. Brokers, packagers and manufacturers' representatives or other persons who arrange or expedite transactions are not regarded as regular dealers within the meaning of 49 CFR 26.55.

DBE firms may be utilized to assist in the procurement of materials and supplies, BUT credit will be allowed **only** for the amount of fees or commissions realized by the DBE firm and not the full price of the merchandise provided under any circumstance. DBE Contractors or lower tier DBE subcontractors who provide substantial material and/or supplies for the Project for which they do not participate in its install, shall be considered Brokers and Participation Credit will be limited to the commission or fee paid to the contractor or supplier for the material supplied.

- i. One hundred percent (100%) participation credit will be granted for the fees or transportation charges for the delivery of materials or supplies by a DBE to a job site provided the Park East Two, LLC. project team determines that the fee is reasonable and not excessive as compared with fees customarily allowed for similar services. The cost of the material and supplies transported under this provision will not be considered towards DBE participation unless the materials or supplies are from DBE manufacturers as covered elsewhere in this document.
- j. One hundred percent (100%) participation credit will be granted for transportation expenditures with DBE trucking firms provided the DBE firm is responsible for the management and supervision of the entire trucking operation for which it has contracted. The DBE must also use trucks it owns, insures, and operates using drivers it employs. The DBE may lease trucks from another DBE firm, including an owner-operator who is certified as a DBE. The DBE who leases trucks from another DBE receives credit for the total value of the transportation services the lessee DBE provides on the contract.

The DBE may also lease trucks from a non-DBE firm, including an owner-operator, however, the DBE who leases trucks from a non-DBE firm is entitled to credit only for the fee or commission it receives as a result of the lease arrangement. The DBE does not receive credit for the total value of the transportation services provided by the lessee, since these services are not provided by a DBE. (Concrete ready mix operators may not get credit for leased concrete delivery trucks from non-DBE firms.)

- k. DBE participation credit will be affected proportionately by approved change orders. On change orders, Contractor shall be expected to achieve the level of participation for the change order segment of work in the contract documents, i.e., if a scope of work is contracted at 25% DBE, then change orders for that scope of work should also have at least the 25% DBE participation. Change Orders at 17% for all Professional Services excluding Architect and Engineer will apply.
- l. 100% Participation Credit will be granted for contracts where the Contractors are Certified DBE operating as a Joint Venture for all work self performed by the Joint Venture. However, when evaluating a Contractor's bid documents, Certified DBE firm Joint Ventures at the first tier shall be expected to make a substantial Good faith effort to achieve all of the subcontracting Participation Level requirements of any other first tier Contractor.
- m. Prorated Participation Credit will be granted on the aggregate dollar value of contracts where the Contractor is a legal Joint Venture, approved by the CBDP, where the participation by the Certified DBE(s) in the Joint Venture is less than or equal to 50%. The prorated percentage will be equal to the percentage of substantive participation by the DBE entities in the Joint Venture, as determined by the CBDP office.

In order to have this Participation Credit option considered, an "Affidavit of Joint Venture must be fully completed and on file with attachments prior to the bid due date.

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## SECTION 5: **Participation and Certification Concerns**

### 1. **Certification**

- a. CERTIFIED DBE - All DBE Firms, including DBE Joint Ventures (where the DBE participants in the JV represents the majority ownership), must be certified prior to providing Construction or Professional Services to the project. Participation Credit may be disallowed for any expenditure made prior to a firm obtaining proper Certification.
- b. CERTIFICATION AGENCY – A DBE firm must be certified by one of the members of the Unified Certification Program Partners ("UCP"): The Wisconsin Department of Transportation, City of Madison, Dane County and Milwaukee County have joined to establish the UCP. The UCP applies only to DBE certification granted under federal USDOT regulation (49 CFR Part 26). Firms that do not have current certification must contact the following: <http://www.county.milwaukee.gov/CertificationService12282.htm>
- c. MAINTAINING CERTIFICATION – All DBE's participating on the Park East Two, LLC project must maintain DBE certification during the entire term of their contract.

Should the DBE lose its certification during the performance of any contract, the PERC Coordinator shall be immediately notified in order for expedient efforts to be made to meet all requirements for reinstatement.

- d. CERTIFICATION ASSISTANCE – The PERC Coordinator will work with firms to assist in obtaining DBE certification in collaboration with the Milwaukee County Community Business Development Partners. For questions on DBE certification requirements, forms, or timing, please contact the CDBP office at 414.278.4747 or John Rodell of TRG / Business Partners Network LLC., Phone 262.391.0592. Email [JERodell@wi.rr.com](mailto:JERodell@wi.rr.com).

### 2. **Commercially Useful Function/Independence**

CBDP reserves the right to deny or limit Participation Level credit to the Contractor where any DBE Firm is found to be engaged in substantial subcontracting or pass-through activities with others. DBE Firms must be independent businesses.

In this regard, a Contractor may count toward its Participation Levels only expenditures to firms that perform a commercially useful function. To determine whether a firm is performing a commercially useful function, the CBDP may evaluate the amount of work subcontracted, reasonable and customary industry practices, and other relevant factors. The Participation Credit allowed shall be based upon an analysis by the CBDP of the specific duties that will be performed by the DBE Firm(s). Each DBE Firm shall be expected to actually manage and supervise the work contemplated for it by any subcontract or agreement through the use of its own employees and equipment and shall perform that portion of the actual work which is reasonable and customary within their industry.

### 3. **Joint Ventures**

Credit for the participation of DBE Firms as Joint Venture (JV) partners shall be based upon an analysis of the duties, responsibilities and risks undertaken by the DBE Firms as specified by the Joint Venture's executed JV Agreement as approved by CBDP. The CBDP reserves the right to deny or limit DBE Firm Participation Level credit to the Contractor where any DBE Firm JV partner is found to have duties, responsibilities, risks or loss and management control over the JV that are not commensurate with or in proportion to its JV ownership percentage.

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#### 4. Confirmation

##### DBE Notification:

All DBE firms selected for a project must be notified at least five (5) working days before the start of their subcontract work.

No credit for Participation will be granted until proper certification of DBE firms is received and confirmed. Additionally, Participation Credit may be withheld for all previous expenditures.

The inclusion of any DBE Firm as certified in a Contractor's Utilization Plan, shall not conclusively establish the Contractor's right to full Participation credit for that intended participation in the contract. The Park East Two, LLC. PERC Coordinator shall review bid submittals and/or proposals and may contact named DBE Firms to verify proper certification and utilization of DBE Firms.

Contracts: Prime Contractors shall provide Park East Two, LLC.'s Construction Manager with copies of all contract agreements with DBE subcontractors, including third and fourth tier subs. Contract verification will be forwarded to the Park East Two, LLC. PERC Coordinator and the CBDP office. Such verification must be provided at least 7 days prior to the DBE subcontractor beginning work on the project. Applications for payment will not be processed if DBE subcontractor agreements are not submitted as requested.

The CBDP may request, and a proposer or Contractor shall promptly furnish, additional information to assist in the making of Participation Credit determinations, including, without limitation, (1) specific information concerning any supplier's broker fees, mark-up and/or commissions; (2) intended suppliers or other sources of labor, equipment, materials and/or services; (3) specific financial or other risks to be assumed by the DBE Firm; and (4) identification of employees and supervisory personnel assigned to perform the Project.

#### 5. DBE Replacement

No DBE subcontractor shall be replaced without written approval from CBDP. Requests for substitution must be in writing and include the reason for the request along with job performance logs. Any issues experienced should be brought to the attention of the Park East Square, LLC. PERC Coordinator and CBDP office.

#### 6. Participation and Performance Logs

Construction Manager (CM) must maintain DBE participation and performance logs. If a DBE firm cannot perform, or the CM or Prime Contractor has a problem meeting the DBE goal, or any problem relative to the PERC requirements, CM shall immediately contact the PERC Coordinator. CBDP must approve changes and or substitutions.

#### 7. Compliance Reviews and Sanctions

Prime Contractors and subcontractors shall be subject to periodic compliance reviews by Milwaukee County CBDP, and/or the Park East Two, LLC. PERC Coordinator, and shall provide documentation when requested. In case of noncompliance with any provision of the Park East Two, LLC. PERC Plan sanction policies and procedures will be executed.

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### 8. Waiver/Exemption of Participation Levels/Goal Reduction

All bidders are required to achieve the Participation Levels of the Park East Two, LLC. Park East Redevelopment Compact. Requests for waivers prior to bidding must be submitted in writing to Park East Two, LLC. PERC Coordinator and the CBDP office with documented justification for waiver request. In the event evidence suggests a need to adjust the percent requirement on a particular contract, an addendum will be issued prior to bid opening.

When a Contractor believes, after the award of a contract, that there are conditions that make it difficult to fulfill the Participation Levels established in their original Contract, they must immediately notify the PERC Coordinator in writing.

The CBDP is designated to make the determination that Contractor has made good faith efforts (GFE) to achieve the Participation Level after review of Contractor's GFE certificate.

### 9. Prompt Payment to Subcontractors

Project subcontractors under a prime contract must be paid, upon satisfactory performance of its subcontract, no later than seven (7) calendar days from the receipt of each payment the prime contractor receives.

Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written notice to Park East Two, LLC. PERC Coordinator or other Park East Two, LLC. designee.

In instances where a contractor delays or postpones payment due to a dispute, the Contractor must notify the Subcontractor and the Park East Two, LLC. PERC Coordinator or designee in writing, within seven (7) calendar days of receipt of payment, that Subcontractor payment is being withheld. The written notification must indicate the reasons and grounds for withholding the payment. Any amount not in dispute must be paid to the Subcontractor within the seven (7) calendar day timeframe as identified above.

If Park East Two, LLC. or its designee determines that the Contractor does not have good cause for delaying or withholding payment, the Contractor must pay the Subcontractor within five (5) calendar days of the written decision.

Contractors must agree to return any retainage payment to Subcontractors within seven (7) calendar days after receipt of its retainage payment.

All Contractors are required to ensure that all Subcontractors will include this prompt payment and retainage provisions in all subcontracts at all levels or tiers of subcontracting.

**This provision applies to both DBE and non-DBE subcontractors.**

### 10. Change Orders

Change orders will be reviewed by the Park East Two, LLC. PERC Coordinator or designee for compliance with the spirit of this Participation Plan. It is expected that the dollar amount of change orders, or any other contract modifications that increase or decrease the scope of work committed to DBE firms and persons will commensurately add or subtract from the total contract amount used to compute the Participation Levels.

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### SECTION 6: Document Submittal Requirements (Bidding & Contract Award)

#### 1. COMMITMENT TO CONTRACT WITH DBE FIRMS

Prime contract bidders must represent that in the calculation of their bid, they have secured actual DBE pricing for subcontracting work in fulfillment of PERC obligations in anticipation of bid award. Commitment to Subcontract with DBE Firms form (DBE - 02 and DBE - 14) must be submitted with bid.

This form should list all DBE firms to be utilized by the contractor including contact and scope information. Award of contract is conditioned upon submission of a completed DBE-14 form and is considered an element of responsibility. Failure to submit will be considered a failure of responsibility.

Contractors are responsible for showing amounts to be contracted and the planned participation levels as a percentage of their total base proposal or contract sum and indicating this on the DBE-14 forms.

Only DBE's that have been certified prior to the bid due date may be listed on the "Commitment to Subcontract with DBE Firms" form and counted towards the DBE requirements. Attach DBE certification letter or certificate with bid.

**Note:** In order to identify any certified DBE firms, and prevent any delay or disqualifications of your bid, refer to the *State of Wisconsin UCP Directory of Certified DBEs*. The directory can be viewed at [www.milwaukeecounty.org](http://www.milwaukeecounty.org), click on the link to the *State of Wisconsin UCP Directory of Certified DBEs*. Click on "UCP Directory is available", check the box marked "all regions", and click on "submit" to obtain the list or go to <http://www.triconsultants.com/wisdot> If you need additional assistance, contact the Park East Two, LLC. PERC Coordinator's office at 262-391-0592.

#### 2. SUBCONTRACT AGREEMENT

After the execution of the Contract, Prime Contractor must submit copies of "Subcontract Agreement (s)" between the Prime Contractor and DBE firm(s) listed on form DBE -14 for Construction, Professional Services and other. Agreements must be attached to the first payment application. **APPLICATION FOR PAYMENT WILL NOT BE PROCESSED IF AGREEMENTS ARE NOT SUBMITTED AS REQUESTED.**

Prime Contractor shall notify its DBEs at least five (5) working days before start of their subcontract work.

Subcontract agreements with DBE firms must be submitted within ten (10) days from receipt of notice to proceed.

### SECTION 7: Report Requirements and Procedures (forms, timeline, submission/distribution – monthly and final)

#### 1. DBE UTILIZATION REPORT

DBE utilization reports (DBE - 16) must be submitted with each Payment Application. These reports cover the period from the start of the project to the end of each period covered by the payment applications being submitted until the end of the project when the last payment application is submitted. In addition, when submitting Payment Applications (AIA Form or similar), the Prime Contractor should list separately the DBE participation contract value (usually by placing "DBE" behind the work item).

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### 2. DBE PARTICIPATION AND PERFORMANCE LOGS

Prime Contractors should maintain DBE participation and performance logs. If the DBE firm(s) cannot perform, or if the Prime Contractor has a problem in meeting the DBE requirement, or any other problem relative to the DBE, the Prime Contractor shall contact the Park East Two, LLC. PERC Coordinator office at 262.391.0592. If needed, Prime Contractor should submit a written request for substitution, including the reason for the request along with job performance logs. All substitutions must be approved.

### 3. FINAL PAYMENT CERTIFICATION

The Prime Contractor must submit the "DBE Subcontractor Payment Certification" form(s) (**DBE - 18**) and the final DBE Utilization Report along with their Final Payment Application. Final Payment Application will not be processed if these reports are not submitted.

### 4. PREVAILING WAGE REPORT (certified payroll)

All contractors must complete and submit a certified Payroll Report form (**2035-R2**) reflecting persons employed in construction work and paid prevailing wage rates as determined by the State of Wisconsin Department of Workforce Development for specific trade or occupation.

### 5. GOOD FAITH EFFORT CERTIFICATE

The Milwaukee County Community Business Development Partners (CBDP) is designated to ensure that DBEs have an opportunity to participate on Park East Corridor projects. Contractors who believe they are unable to achieve the PERC DBE requirements for their scope of work must submit, with bid, the "Certificate of Good Faith Efforts" form (**DBE- 01**) and all relevant documentation for a GFE (Good Faith Effort) determination by the CBDP. In the event the CBDP Office determines that the Contractor has failed to meet the GFE requirements, Contractor is entitled to appeal the determination. (see guidance concerning Good Faith Efforts)

SECTION 8: **Meeting & Maintaining Participation Levels  
(procedures, resources, meetings, trade contractor assistance)**

### 1. BIDDING SCHEDULE & PRE-BID CONFERENCE/INFORMATION SESSION

Prior to bidding, solicitation information on bid packages will be distributed so that all known firms interested in a specific bid package will be made aware of potential opportunities. Following the distribution of the solicitation information, a pre-bid meeting may be held to explain the respective bid package and answer questions from interested firms and individuals. Notice of pre-bid meetings will be provided inviting all interested firms including DBE firms.

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After pre-bid meetings it is expected that DBE firms are provided opportunity to participate through any or all of the following:

- a. Qualified DBE's bid directly on the bid package
- b. DBE contacts other firms about participation in that firm's bid submittal
- c. Non-DBE firms contact DBE's about subcontracting

## 2. PROJECT CONSTRUCTION MEETING

The Contractor will attend construction meetings as required by Park East Two, LLC. and its Construction Manager, at which time Participation Levels and other matters may be discussed. The Contractor will be responsible for informing subcontractors of all Participation Program procedures and enforcing them as necessary for the Contractor to achieve compliance with Participation Levels under its contract. The Park East Two, LLC. PERC Coordinator may present Participation Program issues for discussion at these construction meetings. In many instances, Subcontractors should be required to attend progress meetings when they are active on the project.

## 3. INFORMATION MANAGEMENT

The PERC Coordinator will establish and maintain a database of potential DBE firms in addition to the CDBP directory and a directory of Milwaukee County residents with interest in employment on the project. Upon request, proposers for all Contractor positions will be provided information from the Database to assist in preparation of proposals and for access to available residents for hire.

## 4. CERTIFICATION INFORMATION

The PERC Coordinator will provide information regarding certification requirements to DBE firms and to potential Contractors in addition to referrals to CDBP for certification.

## 5. INFORMATION DISSEMINATION

Park East Two, LLC., its Construction Manager, PERC Coordinator and in some cases, CDBP contacts will meet with Contractors, potential subcontractors and community groups for the purpose of informing potential project participants – including DBE firms and individuals about the participation program and project opportunities.

## 6. TRADE CONTRACTOR ASSISTANCE

- a. DBE firms are encouraged to contact the PERC Coordinator whenever assistance is needed to clarify bid requirements, determine potential prime bidders, seek information about bid schedules or answer questions in general.
- b. Locating DBE'S – Should first tier bidders experience difficulty in locating DBE firms, the PERC Coordination team will provide assistance when requested. NOTE: It is still the bidder's responsibility to meet the stated requirements.

It is the contractor's responsibility to assure that the DBE firms they solicit bids from and contract with are qualified and capable of performing the work or providing the services for which they are being contracted. The

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Park East Two, LLC. project team is not liable or responsible for first or sub tier contractors, vendors or material supplier performance or payment obligations.

- c. DBE Technical Assistance – Should a first-tier contractor, vendor or material supplier solicit bids from or contract with a DBE who requires assistance in estimating, planning, scheduling, accounting or other efforts, the Park East Two, LLC. team encourages the first-tier party to mentor and assist them to the extent necessary to assure successful completion of their work on the project. Such needs should also be referred to the Park East Two, LLC. Construction Manager for support and referral.

Should outside assistance for DBE firms become necessary, the Park East Two, LLC. PERC Coordinator, Construction Manager and the CBDP office will assist in locating appropriate services: NOTE: The Park East Two, LLC. project team or CBDP office shall not be responsible for any costs for outside services and assistance provided, or liable in any manner for the competency, completeness or accuracy of any services or assistance provided through referral.

### SECTION 9: COMPLIANCE REMEDIES AND SANCTIONS

#### A. COMPLIANCE AGREEMENT

The contractor agrees, as a condition of receiving a contract with Park East Two, LLC. projects, (in connection with the Park East Corridor development), that if it is found in violation of the PERC provisions during the performance of the Project, Park East Two, LLC. shall be entitled to enforce such remedies, as it may deem appropriate.

#### B. COMPLIANCE REVIEWS

During the performance of a contract for the Project, the Park East Two, LLC. PERC Coordinator reserves the right to conduct compliance reviews as needed. If the Contractor is not in compliance with the Park East Two, LLC. PERC Plan, the PERC Coordinator will notify the Contractor in writing of the corrective action that will bring the Contractor into compliance.

#### C. NON COMPLIANCE REMEDIES AND MISREPRESENTATION SANCTIONS

If any document or forms submitted by a Contractor contains false, misleading or fraudulent information; or if a Contractor fails to submit required documentation and reports as requested, such actions or inaction shall be considered an act of non-compliance.

If any Contractor or subcontractor is found to be not in compliance with the PERC requirements of the Participation Plan, including submission of documents containing false, misleading, or fraudulent information in connection with obtaining, maintaining or connected with any Park East Two, LLC. contract, the Park East Two, LLC. PERC Coordinator may recommend that one or more of the following actions be taken on the offending Contractor, subcontractor, bidder or individual:

- a. Withholding payments.
- b. Termination, suspension, or cancellation of the contract in whole or in part.
- c. Denial to participate in any further contracts awarded by Park East Two, LLC. for a specified period of time.
- d. Any other remedy available to Park East Two, LLC.

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### D. SANCTION PROCESS

By entering into a Contract with Park East Two, LLC. or its Construction Manager, the Service Provider agrees to meet the Park East Two, LLC. PERC requirements of its contract. The Service Provider agrees that absent specific contract language to the contrary, the Participation Plan language, contained herein, shall apply to its contract without exception.

1. The Park East Two, LLC. PERC Coordinator will oversee the Service Provider's DBE Utilization plan (25% DBE construction including Architect and Engineer and 17% professional services (excluding Architect & Engineer)), verify payment of prevailing wage rate, verify employment data (construction jobs created and permanent jobs created – post construction) and report any non-compliance matters to Park East Two, LLC.
2. Service Providers not meeting their Participation projections, as measured monthly, will be required to provide a Remedial Plan to Park East Two, LLC. PERC Coordinator within ten (10) working days of written notice from Park East Two, LLC. PERC Coordinator that such a plan is required.
3. After submitting the Remedial Plan, the Service Provider shall have one (1) additional month to come into compliance.
4. If the Service Provider is still out of compliance after applying the Remedial Plan for one (1) month, appropriate Sanctions will be applied at the time of the next pay request.
5. As the Project progresses Penalties and Sanctions may be applied to pay requests. Penalties and/or sanctions may affect future contracting opportunities.

### SECTION 10: AUDIT AND INSPECTION (CBDP, PERC Coordinator)

#### A. PERC COORDINATOR RIGHT TO AUDIT

Park East Two, LLC. and its PERC Coordinator reserve the right to audit the records and inspect the facilities of the Contractor and any of its subcontractors for the purpose of verifying DBE Firm participation. The Contractor and subcontractors will permit access to their records upon the request of Park East Two, LLC. or PERC Coordinator. The PERC Coordinator shall be entitled to examine, on three (3) working days notice, the Contractor's books and records including, without limitation, payroll records, tax returns and records, and books of account, to determine whether the Contractor is in compliance with its participation levels commitment and the status of any DBE firm on any portion of the contract. Such rights are in addition to any other audit inspection rights contained in the contract.

#### B. OTHER AUDIT RIGHTS

Notice is hereby given that Park East Two, LLC. and the Milwaukee County CBDP Office may initiate or cooperate with the PERC Coordinator in auditing and inspecting such records.

The PERC Coordinator may require additional information from any contractor on Park East Two, LLC. projects. Typically, additional information requested is used solely for the coordination and monitoring of the PERC requirements. No information will be shared with anyone who is not authorized to view confidential information. Once the information is used and reported, it will be kept on record up to seven years and then destroyed.

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If any contractor has questions regarding the information within this document they should contact the PERC Coordinator:

John Rodell  
PERC Coordinator  
TRG / Business Partners Network LLC.  
262.391.0592.  
[JERodell@wi.rr.com](mailto:JERodell@wi.rr.com)

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## EXHIBIT I

### Guaranty of Development Agreement

This Guaranty of Development Agreement (the "Guaranty"), dated as of \_\_\_\_\_, 2012 is made by Wangard Partners, Inc., a Wisconsin corporation ("Guarantor"), an affiliate of the managing member of Developer (defined below).

For value received, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce Milwaukee County (the "County") to enter into that certain Development Agreement Park East Corridor Development of Block 26 dated \_\_\_\_\_, 2012 (the "Development Agreement") with Park East Two, LLC ("Developer"), Guarantor hereby covenants and agrees with the County as follows:

1. Guarantor unconditionally guarantees payment of and promises to pay or perform or cause to be paid to or performed for the benefit of the County, the Obligations (as hereinafter defined), whether or not the Obligations are valid and enforceable against Developer, whenever the payment or performance of the Obligations shall become due under said Development Agreement, or at the time the Developer shall default thereunder or become the subject of any bankruptcy or insolvency proceeding. As used herein, the term "Obligations" shall mean all liabilities and obligations, whether existing now or in the future arising under and in accordance with the Development Agreement including, without limitation, all construction obligations and charges or sums payable under the Development Agreement (including interest thereon), and all costs, expenses and reasonable attorneys' fees paid or incurred by the County any time in attempting to collect any of the foregoing, to realize on any collateral securing any of the foregoing and to enforce this Guaranty and/or the Development Agreement, including, without limitation, any payments made to the County or another on behalf of Developer which are required to be paid to a trustee, receiver, creditor or other party pursuant to applicable federal or state law, and the full and complete performance of all of the use restrictions, development and construction requirements and/or any other terms or conditions described in the Development Agreement. Guarantor covenants and agrees that it has an economic interest in the Developer and in the making of the Development Agreement.

2. Guarantor hereby agrees that its liability under this Guaranty shall not be affected or reduced by any of the following (any or all of which may be done or omitted by the County without notice to Guarantor or any other person and regardless of whether the Obligations or any collateral or security therefor be increased or decreased thereby):

(i) The County's acceptance, release or impairment of any security or collateral, if any, securing the Obligations;

(ii) The County's compromise, settlement, surrender, release, discharge, renewal, extension, modification, amendment, alteration, subordination, or indulgence with respect to or failure, neglect or omission to collect or enforce, or to record, file, perfect, enforce or exercise any liens or rights with respect to the Obligations or any security or collateral therefor or any claims against Developer;

(iii) The assignment of the Development Agreement, any portion thereof or right thereunder by Developer with or without the consent of the County, or any reorganization, merger, consolidation or sale of all or substantially all of the assets of Developer; or

(iv) The County's action or failure to act at any time with respect to any other matter whatsoever, other than the County's express written release or cancellation of the Guaranty as to Guarantor.

3. Guarantor hereby expressly waives diligence in collection or prosecution, presentment, demand or protest in giving notice to anyone of protest, dishonor, default, nonperformance or nonpayment or of the creation or existence of any Obligation or any security or collateral therefor or of the acceptance of this Guaranty or of deferrals of payments due under the Development Agreement, and/or any amendments or modifications to the Development Agreement, or of any matters described in Section 2 above or any other matters or things whatsoever relating to the Obligations or any security or collateral therefor or to this Guaranty.

4. Guarantor hereby makes the following waiver: unless and until all Obligations have been paid and performed in full, Guarantor shall not take, by assignment, subrogation or otherwise, any claim or collateral which the County might have or obtain against or from Developer, and Guarantor irrevocably waives and releases, in addition to such claims, any claim for unjust enrichment, indemnification, contribution or reimbursement and any and all other claims against Developer, whether by statute or contract, by law or in equity, whether actual or contingent and whether now or hereafter arising.

5. Guarantor will provide, from time to time upon written request of the County, a current audited annual financial statement of Guarantor's financial condition.

6. Guarantor hereby agrees that the County shall have the right to determine how, when and what, if any, application of payments and credits, whether received from Developer, Guarantor, or any other party, shall be applied to any of the Obligations.

7. Guarantor hereby warrants and represents that:

(i) Guarantor is sufficiently knowledgeable and experienced in financial and business matters to evaluate and understand the risks assumed in connection with the execution of this Guaranty;

(ii) Guarantor has had the opportunity to examine the records, reports, financial statements, and other information relating to the financial condition of Developer;

(iii) Guarantor has relied solely upon investigations of Developer's financial condition conducted by such Guarantor or such Guarantor's authorized representative in deciding to execute this Guaranty; and

(iv) Guarantor or its authorized representative may continue independently to review, monitor and investigate the financial condition of Developer while this Guaranty is in effect.

Guarantor specifically relieves the County of any duty, obligation, requirement or responsibility of any nature whatsoever to advise such Guarantor of any change in Developer's financial condition or of any default or other matter arising under or in connection with the Development Agreement.

8. This Guaranty shall not be revoked by death of any of Guarantor's members, dissolution, merger, bankruptcy or insolvency of Guarantor.

9. This Guaranty shall inure to the benefit of the County, its successors and assigns and shall be binding on the representatives, successors and assigns of Guarantor. Unless and until expressly released from this Guaranty in writing by the County or its successors or assigns, Guarantor, its representatives, successors and assigns shall remain fully liable under the Development Agreement and this Guaranty, regardless of any merger, corporate reorganization or restructuring involving Developer and regardless of the resulting organization, structure or ownership of Developer. The County may, without notice, assign this Guaranty in whole or in part. If this Guaranty is signed by more than one party, their obligations shall be joint and several, and the release of one of such Guarantors shall not release any other of such Guarantors.

10. The obligations of Guarantor hereunder are independent of the obligations of Developer. A separate action or actions may, at the County's option, be brought and prosecuted against Guarantor, whether or not any action is first or subsequently brought against Developer, or whether or not Developer is joined in any such action, and Guarantor may be joined in any action or proceeding commenced by the County against Developer arising out of, in connection with or based upon the Development Agreement. Guarantor waives any right to require the County to proceed against Developer or pursue any other remedy in the County's power whatsoever, any right to complain of delay in the enforcement of the County's rights under the Development Agreement, and any demand by the County and/or prior action by the County of any nature whatsoever against Developer, or otherwise.

11. This Guaranty shall remain and continue in full force and effect and shall not be discharged in whole or in part notwithstanding (whether prior or subsequent to the execution hereof) any alteration, renewal, extension, modification, amendment or assignment of under the Development Agreement. Guarantor hereby waives notices of any of the foregoing, and agrees that the liability of Guarantor hereunder shall be based upon the obligations of Developer set forth in the Development Agreement as the same may be altered, renewed, extended, modified, amended or assigned.

12. Guarantor's obligations hereunder shall remain fully binding although the County may have waived one or more defaults by Developer, extended the time of performance by Developer. However, Guarantor's obligations under this Guaranty are not enforceable to the extent the County has released Developer from the performance of its obligations under the Development Agreement.

13. This Guaranty shall remain in full force and effect notwithstanding the institution by or against Developer, of bankruptcy, reorganization, readjustment, receivership or insolvency proceedings of any nature, or the disaffirmance of the Development Agreement in any such proceedings or otherwise.

14. This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time any whole or partial payment or performance of any obligation under the Development Agreement is rescinded or must otherwise be restored or returned by the County upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Developer, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for Developer or any substantial part of its property, or otherwise, all as though such payments and performance had not been made.

15. Neither this Guaranty nor the obligations of Guarantor hereunder shall be affected by:

- (i) Any course of dealing between the County and Developer, except under Section 12 above;
- (ii) The assignment, assumption or rejection of all or any part of the interest of Developer in and to the Development Agreement, whether or not such assignment, assumption or rejection is pursuant to a bankruptcy proceeding; or
- (iii) The modification, release or discharge of Developer in any creditor's action, receivership, bankruptcy or other proceedings, or by operation of any present or future provision of the United States Bankruptcy Code or other statute, or decision or any court or any disability or other defense of Developer.

16. Until all of Developer's obligations under the Development Agreement are fully performed, Guarantor subordinates any liability or indebtedness of Developer held by the Guarantor to the obligations of Developer to the County under the Development Agreement.

17. This Guaranty may not be changed, modified, discharged, or terminated orally or in any manner other than by an agreement in writing signed by the Guarantor and the County.

18. Guarantor covenants and agrees that:

(i) Guarantor will be bound by all of the provisions, terms, conditions, restrictions, and limitations contained in the Development Agreement, the same as though Guarantor was named therein in lieu of Developer; and

(ii) This Guaranty shall be absolute and unconditional and shall remain and continue in full force and effect as to any renewal, extension, amendment, addition, assignment, transfer or other modification of the Development Agreement, whether or not Guarantor shall have any knowledge or have been notified of or agreed or consented to any such renewal, extension, amendment, addition, assignment, transfer or other modification of said Development Agreement, and Guarantor agrees to be bound by any and all modifications to the Development Agreement.

Further, Guarantor hereby covenants and agrees to assume said Development Agreement and to perform all of the terms and conditions thereunder for the balance of the original term should said Development Agreement be disaffirmed by any trustee in bankruptcy for Developer.

19. To the extent that any provision in or obligation under this Guaranty is invalid, illegal or unenforceable, that finding shall not affect the validity, legality, and enforceability of any other provision or obligation in this Guaranty, which shall continue in full force and effect.

20. This Guaranty shall be governed by the internal laws of the State of Wisconsin, and shall in all respects be governed by and construed, applied and enforced in accordance with such laws and no defense given or allowed by the laws of any other jurisdiction shall be interposed in any action hereon, unless such defense is also given or allowed by the internal laws of the State of Wisconsin.

21. Upon twenty (20) days of the County's prior written request to Guarantor, Guarantor shall certify, if such is the case, (by written instrument, duly executed, acknowledged and delivered to the County and to any third person designated by the County in such request) that this Guaranty remains in full force and effect as to all obligations of Developer under the Development Agreement. Failure to deliver such certificate to the County (and any such designated third party) within such twenty (20) day period shall constitute acknowledgment by Guarantor that this Guaranty remains in full force and effect as to all obligations of Developer under the Development Agreement.

22. The execution of this Guaranty prior to execution of the Development Agreement shall not invalidate this Guaranty or lessen the obligations of Guarantor hereunder.

IN WITNESS WHEREOF, Guarantor has caused this instrument to be executed as of the date of this Guaranty.

Wangard Partners, Inc.

(Address)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

\_\_\_\_\_)  
\_\_\_\_\_) SS.  
\_\_\_\_\_)

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2012, by \_\_\_\_\_, to me known to be the \_\_\_\_\_ of Wangard Partners, Inc.

[Seal]

\_\_\_\_\_  
Notary Public, \_\_\_\_\_  
My commission \_\_\_\_\_

EXHIBIT J  
MEMORANDUM OF  
DEVELOPMENT AGREEMENT

THIS MEMORANDUM OF DEVELOPMENT AGREEMENT is made as of the \_\_\_\_ day of \_\_\_\_\_, 2012, by and among PARK EAST TWO, LLC and PARK EAST SQUARE, LLC (collectively, "Developer"), and the Milwaukee County (the "County").

RECITALS

A. The County and PARK EAST TWO, LLC entered into a certain Agreement to Implement Development of Park East Corridor Block 26 , and Development Agreement on \_\_\_\_\_ (collectively, the "2012 Development Agreement"). The County, and PARK EAST SQUARE, LLC entered into a certain Development Agreement - Park East Corridor Development of Block 26 on December 21, 2007, that certain Amendment to Development Agreement – Park East Corridor Development of Block 26, on May 7, 2009, and that certain Second Amendment to Development Agreement – Park East Corridor Development of Block 26, dated February 1, 2010, that certain Third Amendment to Development Agreement – Park East Corridor Development of Block 26, dated July 14, 2010, that certain Fourth Amendment to Development Agreement – Park East Corridor Development Agreement of Block 26, dated October 20, 2010, that certain Fifth Amendment to Development Agreement – Park East Corridor Development of Block 26, dated March 25, 2011, and that certain Sixth Amendment to Development Agreement - Park East Corridor Development of Block 26, dated October 25, 2011 (collectively, the “Initial Development Agreement”). The 2012 Development Agreement and the Initial Development Agreement shall hereinafter be collectively defined as the "Development Agreement". All of the terms and conditions of the Development Agreement govern the development and use of the real property described on Exhibit A, attached hereto (the "Property").

B. The Developer and the County desire to put all parties on notice of the Development Agreement and the fact that it runs with the land and is binding on any party obtaining an interest in the Property.

AGREEMENTS

IN CONSIDERATION of the Recitals and other mutual consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. All parties obtaining any interest in the Property are hereby notified that the Development Agreement runs with the land, and any such interest shall be subject to the terms and conditions of the Development Agreement and the Development Agreement shall be binding upon such successor obtaining any interest in the Property.

2. A copy of the Development Agreement is on file with the County Real Estate Manager, Department of Administration Services, Real Estate Section at 2711 West Wells Street, Milwaukee, Wisconsin 53208.

Name and return address:  
William Invie Shroyer, Esq.  
Reinhart Boerner Van Deuren s.c.  
1000 North Water Street, Suite 1700  
Milwaukee, WI 53202

See Exhibit A  
Parcel Identification Number

SIGNATURES ON FOLLOWING PAGES

MILWAUKEE COUNTY  
EXECUTION PAGE

MILWAUKEE COUNTY

By: \_\_\_\_\_

Name: Chris Abele

Its: County Executive

Attest:

By: \_\_\_\_\_

Name: Joseph J. Czarnecki

Its: County Clerk

STATE OF WISCONSIN     )  
  ) SS  
COUNTY OF MILWAUKEE    )

This instrument was acknowledged before me on \_\_\_\_\_, 2012 by Chris Abele as County Executive of Milwaukee County.

\_\_\_\_\_  
( \_\_\_\_\_ )  
Notary Public, State of Wisconsin  
My Commission \_\_\_\_\_

STATE OF WISCONSIN     )  
  ) SS  
COUNTY OF MILWAUKEE    )

This instrument was acknowledged before me on \_\_\_\_\_, 2012 by Joseph J. Czarnecki, as County Clerk of Milwaukee County.

\_\_\_\_\_  
( \_\_\_\_\_ )  
Notary Public, State of Wisconsin  
My Commission \_\_\_\_\_

Approved for Execution by Corporation Counsel

By: \_\_\_\_\_  
Reviewed by: \_\_\_\_\_  
Its: Milwaukee County Risk Manager





EXHIBIT A

Legal Description

This instrument was drafted by and  
after recording should be returned to:

Reinhart Boerner Van Deuren s.c.  
1000 North Water Street, Suite 1700  
Milwaukee, Wisconsin 53202  
Attn: William Invie Shroyer

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From the Manager of Real Estate Services requesting the approval of a revised development agreement and an agreement to implement the development of the 2.13-acre Block 26 (aka Block One) in the Park East Corridor, located between North Jefferson, North Milwaukee and East Lyon Streets and East Ogden Avenue in the City of Milwaukee, east of the Milwaukee River, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, Park East Square, LLC ("Park East Square") closed on the purchase of Block 26 ("Property") in December 2007. As a part of closing, the County was paid the \$2,725,000 purchase price and Park East Square entered into a development agreement with the County as a commitment to implement the proposed development; and,

WHEREAS, due to the economic and financial downturn post-closing, the development agreement was amended by six amendments (collectively, the "Initial Development Agreement") since the project lender rescinded the loan commitment as Park East Square was set to break ground; and

WHEREAS, Park East Square, also known as the Initial Developer, advised the Economic and Community Development Committee on March 5, 2012 that they have entered into a partnership with a local real estate development firm with the strength and experience to assist moving the project forward. The new partnership team, entitled Park East Two, LLC ("Park East Two"), is also known as the New Developer; and

WHEREAS, the Initial Developer and New Developer have reached an understanding whereby it is envisioned the New Developer will acquire and develop portions of the Property in three phases; and

WHEREAS, the Real Estate staff, Corporation Counsel and private legal counsel (Reinhart Boerner Van Deuren, S.C. ("Reinhart")), in support of Corporation Counsel, worked with the Initial Developer and New Developer to produce the documents that reflect a phased development of Block 26; and

WHEREAS, one such document that will facilitate the implementation of the phased development by the New Developer is the attached Agreement Implementing the Development of Park East Corridor Block 26 (the "Agreement To Implement"). The Agreement To Implement provides for Phase 1 and Phase 2 being developed by the New Developer, with Phase 3 being developed by the

45 Initial Developer; and

46

47 WHEREAS, the New Developer's obligation for developing Phase 1 and  
48 Phase 2 is memorialized in the second document which is a revised  
49 development agreement (the "New Development Agreement") attached to  
50 the Agreement To Implement; and

51

52 WHEREAS, the phased development of Block 26, as described in the New  
53 Development Agreement, includes the following project components:

54

- 55 • Phase 1-86 market rate apartment units, 14,600 square feet of  
56 retail and 246 parking spaces, with an estimated  
57 development cost of \$20 million.
- 58 • Phase 2 - 95-unit apartment building connected to the Phase  
59 1 building, with an estimated development cost of \$14  
60 million.
- 61 • Phase 3- originally envisioned to consist of a hospitality  
62 component will be more fully defined toward completion of  
63 Phases 1 & 2.

64 ; and

65

66 WHEREAS, in addition to the aforementioned Phase 1 and Phase 2 project  
67 components, the terms and conditions of the Agreement To Implement and the  
68 New Development Agreement are summarized and paraphrased as follows:

69

70 **AGREEMENT TO IMPLEMENT**

71

- 72 • In the event the Phase 1 and Phase 2 property is conveyed to  
73 the New Developer, the obligation for the Initial Developer to  
74 develop the applicable phase is removed from the Initial  
75 Development Agreement and transferred to the New  
76 Developer, pursuant to the New Development Agreement.
- 77 • In the event the conveyance of Phase 1 and Phase 2  
78 property did not occur by the requisite dates, the Initial  
79 Development Agreement shall remain in full force and effect  
80 and remain the obligation of the Initial Developer and the  
81 New Development Agreement shall be deemed null and  
82 void.
- 83 • The New Developer shall not have any rights to Phase 2  
84 property under the New Development Agreement if the  
85 conveyance of the Phase 1 property did not occur per the  
86 requisite date and if the transfer of the Phase 1 property did  
87 occur by the requisite date, but the conveyance of the

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Phase 2 property did not occur by the requisite date, the New Development Agreement shall only apply to the Phase 1 property.

- The Initial Developer and New Developer shall provide notice to the County within three (3) business days of the conveyance of Phase 1 and 2 property.
- To permit the New Developer to advance their development efforts and avoid default under the Initial Development Agreement, the Initial Development Agreement is amended by the revised construction schedule made part of the New Development Agreement.

**NEW DEVELOPMENT AGREEMENT**

- Construction of Phase 1 and Phase 2 shall be completed as approved by the County Board and per the design plans approved by the City of Milwaukee. Construction shall be in conformity with the Construction Schedule outlined for the applicable phases.
- A \$50,000 performance deposit/bond provided to serve as security for the full and complete performance of all the obligations, agreements and covenants promised, with execution of guaranty for performance.
- Property delivered "AS-IS" relative to subsoil and environmental condition, with County indemnified and held harmless.
- Subject to Labor Standards including prevailing overtime rates, minimum hourly wage rates and minimum fringe benefits, compliance with "Prevailing Wage and Employment Data" sections of the Park East Redevelopment Compact (PERC) and maintain compliance records.
- Nondiscrimination and Affirmative Action commitments.
- Per the PERC Compliance Plan, approved by the County's Community Business Development Partners (CBDP), the Developer commits to the Disadvantaged Business Enterprise (DBE) participation goals and compliance with the PERC. Developer will continue to work with CBDP to implement the CBDP approved PERC Compliance Plan.
- Remedies for applicable defaults include per diem monetary penalty and repurchase provision.
- Conveyance prohibition prior to completion or without County approval, unless to an affiliate with County notification, but maintaining obligations to the County.

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- County audit provision relating to matters under the development agreement.
- Developer to guarantee the performance of the Developer's obligations by executing a guaranty.

; and

WHEREAS, with the strength of the Park East Two development team, the reality of the project coming to fruition is greatly enhanced and the advancement of the project will lead to increased jobs, tax base and catalyze further development in and surrounding the Park East Corridor; and

WHEREAS, the Committee on Economic and Community Development, at their meeting on June 18, 2012, recommended approval of the above-described New Development Agreement and the Agreement to Implement and further recommended approval of an amendment to the 2009 professional service legal agreement between Corporation Counsel and Reinhart by adding funds in the amount of \$20,000, thus increasing the \$49,500 cap to a not to exceed amount of \$69,500. The amendment for the \$20,000 increase shall include a 17% Disadvantaged Business Enterprise participation (DBE); now, therefore,

BE IT RESOLVED, the County Executive and the County Clerk are hereby authorized to execute, after Corporation Counsel approval, the New Development Agreement as well as the Agreement to Implement and the appropriate County officials are authorized to execute any and all instruments, notices or consents called for in the agreements that are required to implement the intent of this resolution; and

BE IT FURTHER RESOLVED, the Milwaukee County Board of Supervisors hereby approves amending the professional service legal agreement with Reinhart by adding funds in the amount of \$20,000, thus increasing the \$49,500 cap to a not to exceed amount of \$69,500, subject to the \$20,000 amendment including a 17% DBE component.

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** May 29, 2012

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** From the Manager of Real Estate Services requesting the approval of a revised development agreement and an agreement to implement the development of the 2.13-acre Block 26 (aka Block One) in the Park East Corridor, located between North Jefferson, North Milwaukee and East Lyon Streets and East Ogden Avenue in the City of Milwaukee, east of the Milwaukee River.

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input checked="" type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><br><input type="checkbox"/> Decrease Operating Expenditures<br><br><input type="checkbox"/> Increase Operating Revenues<br><br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><br><input type="checkbox"/> Decrease Capital Expenditures<br><br><input type="checkbox"/> Increase Capital Revenues<br><br><input type="checkbox"/> Decrease Capital Revenues<br><br><input type="checkbox"/> Use of contingent funds |
|--|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	\$20,000	0
	Revenue	0	0
	Net Cost	\$20,000	0
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approving the New Development Agreement and entering into the Agreement to Implement will not require an expenditure of funds. The \$20,000 increase to the existing professional service legal agreement between Corporation Counsel and Reinhart is available in the DAS-Real Estate Services Section operating budget (Agency 191, Org.Unit 1191 and Object No. 6148).

Department/Prepared By Craig C. Dillmann

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**COUNTY OF MILWAUKEE**  
**INTER-OFFICE COMMUNICATION**

DATE: June 8, 2012

TO: Marina Dimitrijevic, County Board Chairwoman

FROM: Craig Dillmann, Manager, Real Estate Services

SUBJECT: Offer to purchase on a County-owned property located at 748 North 27<sup>th</sup> Street, Milwaukee, Wisconsin.

**POLICY ISSUE:**

County Board Resolution File No. 12-9 was established by the County Board Chairperson relative to offers-to-purchase on lands under County control.

**BACKGROUND:**

The Real Estate Section of the Economic Development Division of the Department of Administrative Services received an offer to purchase on an excess County-owned property located at 748 North 27<sup>th</sup> Street, in the City of Milwaukee. A copy of the offer and an exhibit depicting the location of the property are attached.

The subject property, located across the street and east of the City Campus building, measures 105' X 130' and is improved as a 37-space parking lot. The lot has experienced minimal usage over the years since the primary secure parking lot serving the building is located west of North 28<sup>th</sup> Street. The real estate staff conferred with Facilities Management and they concur with the sale of the property. The property has been valued by an independent appraiser at \$22,000.

The offer, in the amount of \$22,000 cash, is from the Redevelopment Authority of the City of Milwaukee (RACM). RACM is in the process of acquiring lands along the North 27<sup>th</sup> Street corridor to make street improvements to enhance the neighborhood.

**RECOMMENDATION:**

Staff respectfully requests that the Committee on Economic and Community Development recommend to the County Board of Supervisors acceptance of the above-described offer from the Redevelopment Authority of the City of Milwaukee in the amount of \$ 22,000.

FISCAL NOTE:

Sale proceeds less expenses shall be deposited into W0624 - Work Force – Economic Development account.

---

Craig C. Dillmann, Manager  
Real Estate Services

Meeting Date: June 18, 2012  
Attachments

cc: Chris Abele, County Executive  
Supervisor David Bowen, 10th District  
Patrick Farley, Director, Administrative Services (DAS)  
Brian Taffora, Director, Economic Development (DAS)  
Vince Masterson, Fiscal Management Analyst

**748 N. 27<sup>th</sup> STREET  
PURCHASE AND SALE AGREEMENT**

5-30-2012 CAO DOC. 181392.

THIS PURCHASE AND SALE AGREEMENT ("PASA"), dated as of the 30th day of May, 2012 (the "Effective Date"), is made and entered into by and between the **REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE ("RACM")** and **MILWAUKEE COUNTY ("County")**, for the covenants contained herein, and good and valuable consideration, receipt and sufficiency of which are acknowledged.

***NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, TO BE EFFECTIVE, THIS PASA MUST BE SIGNED BY ALL PARTIES HERETO NO LATER THAN 2 P.M. ON MONDAY, JULY 16, 2012.***

1. **Agreement to Buy and Sell.** RACM agrees to buy from County, and County agrees to sell to RACM, on the terms and conditions contained herein, all of County's right, title, and interest in and to:

- **Address:** 748 N. 27<sup>th</sup> Street, Milwaukee, (herein called the "**Parcel**"),
- **TIN:** 389-0109-100

including all buildings and fixtures and appurtenances located thereon as of THE EFFECTIVE DATE.

2. **Purchase Price.** The Purchase Price for the Parcel is \$22,000, and subject to the terms hereof, will be paid by RACM at Closing with the payment method selected by RACM, being either via RACM check, certified or cashiers check, or by wire transfer. If RACM elects to pay by wire transfer, County shall provide account and routing information for County's recipient financial institution and account.

3. **Personal Property.** All personal property (whether owned by County or others) must be removed from the Parcel by County at County's expense prior to Closing and prior to the **Final Walkthrough** (see below). Fixtures, however, shall remain.

4. **Closing.** Closing on this transaction ("**Closing**") shall take place at the offices of the City of Milwaukee City Attorney, 841 N. Broadway, 7<sup>th</sup> Floor, at a mutually acceptable time that is on or before **JULY 31, 2012**, so long as: (i) RACM has either satisfied or waived all its contingencies below; and (ii) County and RACM have signed this PASA.

5. **Warranty Deed; AS-IS Sale; Occupancy; Deed Does Not Merge.** County shall, upon RACM's submission of the Purchase Price to County (less deductions and proration for Closing adjustments and less payments agreed to in the Closing Statement signed by both parties), convey marketable title to the Parcel to RACM by Warranty Deed, in form and substance of that attached hereto as **EXHIBIT A** (the "Deed") (subject only to the "**Permitted Encumbrances**" referred to in **EXHIBIT A-1**). The *physical condition* of the Parcel shall be conveyed by County to RACM, except as otherwise expressly agreed to herein, in "AS-IS" condition.

At Closing, County shall also deliver occupancy and physical possession of the Parcel to RACM, free from any lease or encumbrance other than Permitted Encumbrances.

6. **No Third Parties.** County represents and warrants to RACM as follows. No party has any leasehold interest, license agreement, occupancy right or agreement, or franchise right in and to, or affecting, the Parcel. No party has any right of first refusal, any option to purchase right, or any land contract that affects the Parcel. County has not accepted any other offer from any other party. The intent is that County convey the Parcel to RACM free from any right of any third party, except for rights (if any) under any Permitted Encumbrances.

7. **County Buys Title Insurance; Affidavits; No County Broker.** Without changing the "AS-IS" nature as to the *physical condition* of the Parcel, County shall provide good and marketable title to the Parcel to RACM at Closing, subject only to the Permitted Encumbrances on **EXHIBIT A-1.**

County shall promptly provide RACM with a current title insurance commitment for the Parcel issued by Chicago Title Insurance Company ("CTIC") naming RACM as the proposed insured.

County shall be responsible for paying, at Closing, for the premium for a title insurance policy for insurance coverage for RACM in the amount of the Purchase Price and for the issuance of "special letters." If RACM seeks additional endorsements to insurance coverage, RACM shall pay any premium charged by CTIC for the endorsements RACM requests.

County shall, on or before Closing, execute and deliver to CTIC standard title insurance affidavits consistent with this PASA allowing CTIC to remove exceptions to coverage typically removable as a result of such affidavits, including Owner's Affidavit, Construction Lien Affidavit, Broker's Affidavit, and Gap Affidavit if RACM seeks "gap" coverage.

County shall also promptly provide to CTIC and RACM documents required by Commitment Schedule B-I as CTIC may require, including, but not limited to, a County Board Resolution authorizing the conveyance and this transaction.

County does not have the Parcel listed with any broker, and neither County nor RACM has contracted with any broker regarding sale of the Parcel or this transaction.

8. **Tax and Closing Prorations.** On or before Closing, County shall pay all outstanding property taxes, special charges, BID assessments, and special assessments, if any (unless special assessments were levied after the Effective Date of this PASA). County represents that the Parcel is tax-exempt for year 2012 under County ownership, so there are no current-year property taxes to prorate for the year of closing.

County represents that no utilities serve the Parcel, so there are no sewer and water charges, electric or gas bills, or other utilities affecting the Parcel.

To the extent not addressed by the above, and notwithstanding the above, if there is a special charge or special assessment levied after the Effective Date but before Closing that pertains to County acts, failure to act, use or occupancy of the Parcel, County shall pay same on or before Closing.

9. **Transfer Fee and Return - Exempt.** The conveyance of the Parcel from the County to RACM is exempt from the Transfer Fee per Wis. Stat. § 77.25 (2) and exempt from the Transfer Return per Wis. Stat. § 77.255 – County is not a lender in this transaction.

10. **RACM Records Deed.** The Deed shall, promptly after Closing, be recorded by RACM, with the cost of recording being paid by RACM.

11. **RACM Contingencies.** RACM's obligations to close on this transaction and to pay the Purchase Price are contingent upon the following conditions being expressly waived or satisfied on or before the dates set forth below.

A. **County Board Approval.** On or before Closing, County must provide RACM with a County Board Resolution, duly passed and adopted by the County authorizing the County to convey the Property to RACM on terms and conditions not inconsistent with this PASA.

B. **RACM Title Review.** On or before Closing, RACM must obtain and approve a current CTIC Commitment for the Parcel, and "special letters" from the City of Milwaukee, and copies of all documents and judgments and encumbrances that may be listed on Schedule B-II of the Commitment, or be recorded against title as an existing encumbrance, and review and approve same, and status of title reflected thereby. If the Commitment or "special letters" or afore-referenced recorded documents or matters reveal or disclose conditions or encumbrances that are unacceptable to RACM, in RACM's discretion and judgment, or if County does not satisfy and remove as an encumbrance against title any docketed or outstanding Judgment lien or delinquent tax warrant, then, RACM may terminate this PASA by written notice of termination provided to County, on or before Closing, in which case, the PASA shall terminate.

C. **Final Walkthrough; Personal Property.** RACM performing a final walkthrough of the Parcel before **noon on the day of Closing** (the "**Final Walkthrough**"), confirming that County is acting in accordance with its duties hereunder (including removal of personal property from the Parcel) and to visually inspect the Parcel. As of the Final Walkthrough, the Parcel's condition must not have materially changed in any manner from the Effective Date to the date of Closing – except for any changes that RACM and County may have agreed to herein or that they may have mutually consented to in writing – and personal property must have been removed from the Parcel. If the Final Walkthrough reveals or discloses material changes in the Parcel's condition that are not authorized and agreed to, and that are unacceptable to RACM, in RACM's discretion and judgment, or if County has not removed personal property from the

Parcel as required hereunder, then, RACM may terminate this PASA by written notice of termination provided to County, on or before **Closing**, in which case, the PASA shall terminate and all Earnest Money shall be returned to RACM.

12. **Termination; or Waiver of Contingency Rights.** If RACM provides timely written notice of termination to County under any of RACM's contingency rights above, this PASA shall terminate, and neither County nor RACM shall have any duty to Close. RACM may, if it wishes, in its sole judgment and discretion, waive any one or all of its contingency rights above, but RACM shall have no duty to waive.

13. **RACM's Pre-Closing Entry Rights; Initial and Final Walkthrough.** County shall allow RACM, its contractors, agents and representatives, pre-Closing access to the Parcel for the following (the "Authorized Entry"): (a) periodic entry prior to Closing to visually view and observe same; and (b) to conduct RACM's Final Walkthrough.

County agrees to not cause or allow any change or damage to the Parcel from the Effective Date to Closing – reasonable wear and tear only excepted.

14. **Successors and Assigns.** This PASA binds and inures to the benefit of the parties hereto and their successors and assigns.

15. **Facsimile and Counterparts.** This PASA may be executed in one or more counterparts which, when taken together, shall constitute one and the same document. Facsimile or PDF signatures shall be accepted as originals.

16. **Entire Agreement; Amendment.** This PASA constitutes the entire agreement between the parties and all prior statements, written or oral, are terminated and of no effect. This PASA may only be amended by a written agreement signed by all the parties hereto.

17. **Severable.** The terms and provisions of this PASA are deemed separable and severable such that the invalidity or unenforceability of any term or provision shall not affect or impair the validity or enforceability of the remaining terms and provisions.

18. **Notices.** All notices permitted or required hereunder shall be considered given (i) upon receipt if hand-delivered by commercial courier or otherwise personally delivered, (ii) if sent by facsimile or e-mail, then the notice must be sent during business hours on days that Milwaukee's City Hall is open for business, and the notice shall be deemed given when sent as per the following and so long as the notice is successfully sent (i.e., the sender does not receive any error, or busy, or inability to send, notification), and (iii) within two business days of depositing same in the U.S. mail, postage-paid, addressed by name and address to the party intended as follows:

If to RACM	If to County
Dan Casanova RACM 809 N. Broadway, 2 <sup>nd</sup> Floor Milwaukee, WI 53202 Fax: 414-286-5467 Phone: 414-286-5921 Email: dcasan@milwaukee.gov	MILWAUKEE COUNTY Attn: Gerald Baker 2711 W. Wells Street, 3 <sup>rd</sup> Floor Milwaukee, WI 53208 Fax: 414-223-1917 Phone: 414-278-4876 Email: Gerald.baker@milwcnty.com

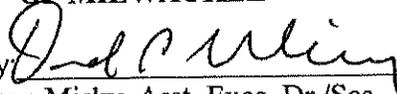
19. **Headings.** The headings used herein are for convenience only.

20. **Limitation on Further Encumbrances; Existing Condition.** County agrees that, after the Effective Date, and during the pendency of this PASA, County shall not voluntarily agree to or impose any additional liens, encumbrances, leases, occupants, license agreements, easements, covenants, or restrictions on or against the Parcel or any part thereof without RACM's prior written consent. Likewise, County shall not convey or agree to convey or hypothecate any part of or interest in the Parcel to anyone. County further agrees, during the pendency of this PASA, and unless otherwise approved in writing by RACM, to keep the Parcel in the condition and state that currently exists as of the Effective Date – reasonable wear and tear only excepted. Prior to Closing, County, at its expense, agrees to be responsible for the Parcel as owner.

21. **Anti-Merger.** The terms and provisions herein shall survive County's execution and delivery of the Deed to RACM.

IN WITNESS WHEREOF, the parties caused this Agreement to be entered into and executed as of the Effective Date first written above.

**RACM: REDEVELOPMENT AUTHORITY OF THE CITY  
OF MILWAUKEE**

By:   
 Dave Misky, Asst. Exec. Dir./Sec.  
 RACM Resolution No. 10341

**COUNTY: MILWAUKEE COUNTY**

By: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**WARRANTY DEED**

Document Number

Document Title

**Drafted By:** Gregg Hagopian, Asst. City Attorney

**THIS WARRANTY DEED** is made by MILWAUKEE COUNTY, herein called "County," as the Grantor, to REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE, herein called "RACM," as the Grantee.

**WITNESSETH:**

Recording Area

Name and Return Address:

Dan Casanova  
RACM  
809 N. Broadway  
Milwaukee, WI 53202

PIN: 389-0109-100

1. **Conveyance of Parcel.** County hereby conveys to RACM, the real estate, in the City and County of Milwaukee, State of Wisconsin, described below (the "Parcel"), together with all of County's right, title and interest in and to the Parcel, and all rights and privileges appurtenant to the Parcel, including all buildings and fixtures and appurtenances now located thereon:

- **Address:** 748 N. 27<sup>th</sup> Street. **TIN:** 389-0109-100
- **Legal:** [INSERT LEGAL HERE]

2. **Warranty.** This is not homestead property. County conveys the Parcel together with all and singular the hereditaments and appurtenances thereunto belonging; and, County warrants that the title is good, indefeasible in fee simple and free and clear of encumbrances except for the "Permitted Encumbrances" listed on **EXHIBIT A-1** attached hereto, and County will warrant and defend the same.

**IN WITNESS WHEREOF,** County, as Grantor, has caused this Deed to be executed by its duly authorized signatory and delivered to Buyer as of the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

**COUNTY: MILWAUKEE COUNTY**

By: \_\_\_\_\_

Name Printed: \_\_\_\_\_

Title: \_\_\_\_\_

ACKNOWLEDGMENT

STATE OF WISCONSIN    )  
                                  ) SS.  
COUNTY OF MILWAUKEE)

Personally came before me this \_\_\_\_\_ day of \_\_\_\_\_, 2012, the above-named \_\_\_\_\_, to me known to be said person who executed the foregoing instrument, with due authority, and acknowledged the same.

\_\_\_\_\_  
Name: \_\_\_\_\_  
Notary Public, Wisconsin  
My Commission: \_\_\_\_\_

EXHIBIT A-1

PERMITTED ENCUMBRANCES

- municipal and zoning ordinances.
- Rights of Redevelopment Authority of City of Milwaukee under “Project Area Plan for North 28<sup>th</sup> Street – West Wells Street, Urban Renewal Project,” as per, Document No. 6454666 (the “**RACM Plan**”), and under any amendments to that RACM Plan.



(ITEM ) Reference file established by the County Board Chairperson relative to offers to purchase on lands under County control with an undesignated use, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, the Real Estate Section of the Economic Development Division of the Department of Administrative Services received an offer to purchase on an excess County-owned property located at 748 North 27<sup>th</sup> Street, in the City of Milwaukee; and

WHEREAS, the subject property, located across the street and east of the City Campus building, measures 105' X 130' and is improved as a 37-space parking lot; and

WHEREAS, the lot has experienced minimal usage over the years since the primary secure parking lot serving the building is located west of North 28<sup>th</sup> Street; and

WHEREAS, the real estate staff conferred with Facilities Management and they concur with the sale of the property; and

WHEREAS, the property has been valued by an independent appraiser at \$22,000; and

WHEREAS, the offer, in the amount of \$22,000 cash, is from the Redevelopment Authority of the City of Milwaukee (RACM). RACM is in the process of acquiring lands along the North 27<sup>th</sup> Street corridor to make street improvements to enhance the neighborhood; and

WHEREAS, the Committee on Economic and Community Development at their meeting on June 18, 2012 recommended acceptance of the above-described offer from RACM in the amount of \$ 22,000; now, therefore,

BE IT RESOLVED, that the Manager of Real Estate Services is hereby authorized to sign the above described offer to purchase from RACM; and

BE IT FURTHER RESOLVED, that the County Executive and the County Clerk are hereby authorized to convey by Warranty Deed the subject property located at 748 North 27<sup>th</sup> Street, Milwaukee, Wisconsin to the Redevelopment Authority of the City of Milwaukee and/or assigns for the consideration of \$ 22,000, pursuant to the terms and conditions of their offer to

45 purchase.

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** May 31, 2012

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Offer to purchase on a County-owned property located at 748 North 27<sup>th</sup> Street, Milwaukee, Wisconsin.

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact                                     | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required  | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget   | <input type="checkbox"/> Decrease Capital Revenues     |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures   | <input type="checkbox"/> Use of contingent funds       |
| <input checked="" type="checkbox"/> Increase Operating Revenues  |  |
| <input type="checkbox"/> Decrease Operating Revenues   |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure	1,000	
	Revenue	22,000	
	Net Cost	- 21,000	
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

FISCAL NOTE: Sale proceeds less expenses shall be deposited into W0624 - Work Force – Economic Development account.

Department/Prepared By Craig C. Dillmann

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

---

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

**COUNTY OF MILWAUKEE**  
**INTER-OFFICE COMMUNICATION**

DATE: June 8, 2012

TO: Marina Dimitrijevic, Milwaukee County Board Chairwoman

FROM: Craig C. Dillmann, Manager, Real Estate Services

SUBJECT: Offer to purchase on a County-owned vacant lot located at 1900 South 94<sup>th</sup> Street in the City of West Allis, Wisconsin.

**POLICY ISSUE:**

County Board Resolution File No. 12-9 was established by the County Board Chairperson relative to offers-to-purchase on lands under County control.

**BACKGROUND:**

The Real Estate Section of the Economic Development Division of the Department of Administrative Services received an offer to purchase on an excess County-owned vacant lot located at 1900 South 94<sup>th</sup> Street in the City of West Allis. A copy of the offer and an exhibit depicting the location of the property are attached.

The subject property, appraised at \$10,500, is a 35' X 135' vacant residential lot. The Milwaukee County Treasurer acquired the property for delinquent taxes by foreclosure proceedings. The property has been listed for more than a year at an asking price of \$11,900.

The offer, in the amount of \$11,900 cash, is from Thomas Karkula. Mr. Karkula plans to build a house on the property to be used as his residence.

**RECOMMENDATION:**

Staff respectfully requests that the Committee on Economic and Community Development recommend to the County Board acceptance of the above-described offer from Thomas Karkula in the amount of \$11,900.

FISCAL NOTE:

Sale proceeds less expenses shall be deposited into W0624 - Work Force – Economic Development account.

---

Craig C. Dillmann, Manager  
Real Estate Services

Meeting Date: June 18, 2012  
Attachments

cc: Chris Abele, County Executive  
Supervisor Joe Sanfelippo, 17<sup>th</sup> District  
Patrick Farley, Director, Administrative Services (DAS)  
Brian Taffora, Director, Economic Development (DAS)  
Vince Masterson, Fiscal Management Analyst



59 A "condition affecting the Property or transaction" is defined as follows:

60 (a) planned or commenced public improvements which may result in special assessments or otherwise materially affect the Property  
61 or the present use of the Property;

62 (b) completed or pending reassessment of the Property for property tax purposes;

63 (c) government agency or court order requiring repair, alteration or correction of any existing condition;

64 (d) any land division involving the subject Property, for which required state or local approvals had not been obtained;

65 (e) any portion of the Property being in a 100 year floodplain, a wetland or shoreland zoning area under local, state or federal laws;

66 (f) conditions constituting a significant health or safety hazard for occupants of Property;

67 (g) underground or aboveground storage tanks on the Property for storage of flammable or combustible liquids including but not limited to  
68 gasoline and heating oil which are currently or which were previously located on the Property; **NOTE: Wis. Adm. Code, Chapter**  
69 **Comm 10 contains registration and operation rules for such underground and aboveground storage tanks.**

70 (h) material violations of environmental laws or other laws or agreements regulating the use of the Property;

71 (i) high voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the Property;

72 (j) any portion of the Property being subject to, or in violation of, a Farmland Preservation Agreement under a County Farmland Preservation  
73 Plan or enrolled in, or in violation of, a Forest Crop, Woodland Tax, Managed Forest, Conservation Reserve or comparable program;

74 (k) boundary disputes or material violation of fence laws (Wis. Stats. Chapter 90) which require the erection and maintenance of legal  
75 fences between adjoining properties where one or both of the properties is used and occupied for farming or grazing purposes;

76 (l) wells on the Property required to be abandoned under state regulations (Wis. Adm. Code NR 112.26) but which are not abandoned;

77 (m) cisterns or septic tanks on the Property which are currently not servicing the Property;

78 (n) subsoil conditions which would significantly increase the cost of the development proposed at lines 271-272, if any, including, but not limited  
79 to, subsurface foundations, organic or non-organic fill, dumpsites or containers on Property which contained or currently contain toxic or  
80 hazardous materials, high groundwater, soil conditions (e.g. low load bearing capacity) or excessive rocks or rock formations on the Property;

81 (o) a lack of legal vehicular access to the Property from public roads;

82 (p) prior reimbursement for corrective action costs under the Agricultural Chemical Cleanup Program; (Wis. Stats. §94.73.)

83 (q) other conditions or occurrences which would significantly increase the cost of the development proposed at lines 271 to 272 or  
84 reduce the value of the Property to a reasonable person with knowledge of the nature and scope of the condition or occurrence.

85 **PROPERTY DIMENSIONS AND SURVEYS:** Buyer acknowledges that any land dimensions, total square footage/acreage figures,  
86 or allocation of acreage information, provided to Buyer by Seller or by a broker, may be approximate because of rounding or other  
87 reasons, unless verified by survey or other means. **CAUTION: Buyer should verify land dimensions, total square footage/acreage**  
88 **figures or allocation of acreage information if material to Buyer's decision to purchase.**

89 **ISSUES RELATED TO PROPERTY DEVELOPMENT:** WARNING: If Buyer contemplates developing Property for a use other than the  
90 current use, there are a variety of issues which should be addressed to ensure the development or new use is feasible. Municipal and zoning  
91 ordinances, recorded building and use restrictions, covenants and easements may prohibit certain improvements or uses and therefore should  
92 be reviewed. Building permits, zoning variances, Architectural Control Committee approvals, estimates for utility hook-up expenses, special  
93 assessments, charges for installation of roads or utilities, environmental audits, subsoil tests, or other development related fees may need  
94 to be obtained or verified in order to determine the feasibility of development of, or a particular use for, a property. Optional contingencies  
95 which allow Buyer to investigate certain of these issues can be found at lines 271 - 314 and Buyer may add contingencies as needed in  
96 addenda (see line 188). Buyer should review any plans for development or use changes to determine what issues should be addressed  
97 in these contingencies.

98 **INSPECTIONS:** Seller agrees to allow Buyer's inspectors reasonable access to the Property upon reasonable notice if the inspections  
99 are reasonably necessary to satisfy the contingencies in this Offer. Buyer agrees to promptly provide copies of all such inspection  
100 reports to Seller, and to listing broker if Property is listed. Furthermore, Buyer agrees to promptly restore the Property to its original  
101 condition after Buyer's inspections are completed, unless otherwise agreed in this Offer. An "inspection" is defined as an observation  
102 of the Property which does not include testing of the Property, other than testing for leaking LP gas or natural gas used as a fuel source,  
103 which are hereby authorized.

104 **TESTING:** Except as otherwise provided, Seller's authorization for inspections does not authorize Buyer to conduct testing of the Property.  
105 A "test" is defined as the taking of samples of materials such as soils, water, air or building materials from the Property and the laboratory  
106 or other analysis of these materials. If Buyer requires testing, testing contingencies must be specifically provided for at lines 179 - 187 or  
107 in an addendum per line 188. Note: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose  
108 of the test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other material terms of  
109 the contingency (e.g., Buyer's obligation to return the Property to its original condition). Seller acknowledges that certain inspections or tests  
110 may detect environmental pollution which may be required to be reported to the Wisconsin Department of Natural Resources.

111 **PRE-CLOSING INSPECTION:** At a reasonable time, pre-approved by Seller or Seller's agent, within 3 days before closing, Buyer shall  
112 have the right to inspect the Property to determine that there has been no significant change in the condition of the Property, except for  
113 changes approved by Buyer.

114 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING:** Seller shall maintain the Property until the earlier of closing or  
115 occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary wear and tear. If, prior  
116 to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling price, Seller shall be obligated to repair  
117 the Property and restore it to the same condition that it was on the day of this Offer. If the damage shall exceed such sum, Seller shall  
118 promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer. Should Buyer elect to carry out this  
119 Offer despite such damage, Buyer shall be entitled to the insurance proceeds relating to the damage to the Property, plus a credit towards  
120 the purchase price equal to the amount of Seller's deductible on such policy. However, if this sale is financed by a land contract or a  
121 mortgage to Seller, the insurance proceeds shall be held in trust for the sole purpose of restoring the Property.

122 **FENCES:** Wisconsin Statutes section 90.03 requires the owners of adjoining properties to keep and maintain legal fences in equal  
123 shares where one or both of the properties is used and occupied for farming or grazing purposes. **CAUTION: Consider an agreement**  
124 **addressing responsibility for fences if Property or adjoining land is used and occupied for farming or grazing purposes.**

125 **DELIVERY/RECEIPT** Unless otherwise stated in this Offer, any signed document transmitted by facsimile machine (fax) shall be treated  
126 in all manner and respects as an original document and the signature of any Party upon a document transmitted by fax shall be considered  
127 an original signature. Personal delivery to, or actual receipt by, any named Buyer or Seller constitutes personal delivery to, or actual receipt  
128 by Buyer or Seller. Once received, a notice cannot be withdrawn by the Party delivering the notice without the consent of the Party receiving  
129 the notice. A Party may not unilaterally reinstate a contingency after a notice of a contingency waiver has been received by the other Party.  
130 **The delivery provisions in this Offer may be modified when appropriate (e.g., when mail delivery is not desirable (see lines 25 - 36)).**  
131 Buyer and Seller authorize the agents of Buyer and Seller to distribute copies of the Offer to Buyer's lender, appraisers, title insurance companies  
132 and any other settlement service providers for the transaction as defined by the Real Estate Settlement Procedures Act (RESPA).

133 **PROPERTY ADDRESS:** 1900 South 94th Street, West Allis, WI [page 3 of 5, WB-13]

134 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3) occupancy; (4)  
135 date of closing; (5) contingency deadlines **STRIKE AS APPLICABLE** and all other dates and deadlines in this Offer except: none  
136 \_\_\_\_\_ . If "Time is of the Essence"

137 applies to a date or deadline, failure to perform by the exact date or deadline is a breach of contract. If "Time is of the Essence" does  
138 not apply to a date or deadline, then performance within a reasonable time of the date or deadline is allowed before a breach occurs.

139 **DATES AND DEADLINES** Deadlines expressed as a number of "days" from an event, such as acceptance, are calculated by excluding  
140 the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day. Deadlines  
141 expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under Wisconsin or Federal  
142 law, and other day designated by the President such that the postal service does not receive registered mail or make regular deliveries  
143 on that day. Deadlines expressed as a specific number of "hours" from the occurrence of an event, such as receipt of a notice, are  
144 calculated from the exact time of the event, and by counting 24 hours per calendar day. Deadlines expressed as a specific day of the  
145 calendar year or as the day of a specific event, such as closing, expire at midnight of that day.

146 **THE FINANCING CONTINGENCY PROVISIONS AT LINES 148 - 162 ARE A PART OF THIS OFFER IF LINE 148 IS MARKED,**  
147 **SUCH AS WITH AN "X". THEY ARE NOT PART OF THIS OFFER IF LINE 148 IS MARKED N/A OR IS NOT MARKED.**

148 **N/A FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a \_\_\_\_\_  
149 **INSERT LOAN PROGRAM OR SOURCE** first mortgage loan commitment as described below, within \_\_\_\_\_ days of acceptance of this  
150 Offer. The financing selected shall be in an amount of not less than \$ \_\_\_\_\_ for a term of not less than \_\_\_\_\_ years,  
151 amortized over not less than \_\_\_\_\_ years. Initial monthly payments of principal and interest shall not exceed \$ \_\_\_\_\_ .  
152 Monthly payments may also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private  
153 mortgage insurance premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay a loan fee not to exceed  
154 \_\_\_\_\_ % of the loan. (Loan fee refers to discount points and/or loan origination fee, but DOES NOT include Buyer's other closing  
155 costs.) If the purchase price under this Offer is modified, the financed amount, unless otherwise provided, shall be adjusted  
156 to the same percentage of the purchase price as in this contingency and the monthly payments shall be adjusted as necessary to maintain  
157 the term and amortization stated above. **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 158 OR 159.**

158  **FIXED RATE FINANCING:** The annual rate of interest shall not exceed \_\_\_\_\_ %.  
159  **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed \_\_\_\_\_ % . The initial interest rate shall  
160 be fixed for \_\_\_\_\_ months, at which time the interest rate may be increased not more than \_\_\_\_\_ % per year. The maximum  
161 interest rate during the mortgage term shall not exceed \_\_\_\_\_ % . Monthly payments of principal and interest may be adjusted  
162 to reflect interest changes.

163 **LOAN COMMITMENT:** Buyer agrees to pay all customary financing costs (including closing fees), to apply for financing promptly, and  
164 to provide evidence of application promptly upon request by Seller. If Buyer qualifies for the financing described in this Offer or other  
165 financing acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no later than the deadline for loan  
166 commitment at line 149. **Buyer's delivery of a copy of any written loan commitment to Seller (even if subject to conditions) shall**  
167 **satisfy the Buyer's financing contingency unless accompanied by a notice of unacceptability. CAUTION: BUYER, BUYER'S LENDER**  
168 **AND AGENTS OF BUYER OR SELLER SHOULD NOT DELIVER A LOAN COMMITMENT TO SELLER WITHOUT BUYER'S PRIOR**  
169 **APPROVAL OR UNLESS ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

170 **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment, Seller may terminate this Offer if Seller  
171 delivers a written notice of termination to Buyer prior to Seller's actual receipt of a copy of Buyer's written loan commitment.

172 **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already delivered an  
173 acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of same including copies  
174 of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is named in this Offer, Seller shall then  
175 have 10 days to give Buyer written notice of Seller's decision to finance this transaction on the same terms set forth in this Offer and this  
176 Offer shall remain in full force and effect, with the time for closing extended accordingly. If Seller's notice is not timely given, this Offer shall  
177 be null and void. Buyer authorizes Seller to obtain any credit information reasonably appropriate to determine Buyer's credit worthiness  
178 for Seller financing.

179 **ADDITIONAL PROVISIONS/CONTINGENCIES** Buyer purchases property in its "as is" condition.  
180 Acceptance of this offer and sale of the subject property is subject to the approval of the  
181 Milwaukee County Board of Supervisors and the County Executive.

182 \_\_\_\_\_  
183 Buyer(s) is/are responsible for obtaining environmental testing, if they desire, at Buyer's cost  
184 and Buyer(s) shall not hold Seller liable for any environmental contamination found on property.

185 \_\_\_\_\_  
186 Buyer(s) is/are responsible for all costs for electrical, gas, water, sewer, etc... hookups  
187 including laterals and extensions.

188  **ADDENDA:** The attached \_\_\_\_\_ is/are made part of this Offer.

189 **TITLE EVIDENCE**

190 **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed (or other  
191 conveyance as provided herein) free and clear of all liens and encumbrances, except: municipal and zoning ordinances and  
192 agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use  
193 restrictions and covenants, general taxes levied in the year of closing and possible encroachment of neighbor's pergola  
194 framework at the rear of property.

195 \_\_\_\_\_ (provided none of the foregoing prohibit present use of the Property), which constitutes merchantable title  
196 for purposes of this transaction. Seller further agrees to complete and execute the documents necessary to record the conveyance.

197 **FORM OF TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the  
 198 purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. **CAUTION: IF TITLE**  
 199 **EVIDENCE WILL BE GIVEN BY ABSTRACT, STRIKE TITLE INSURANCE PROVISIONS AND INSERT ABSTRACT PROVISIONS.**

200 **PROVISION OF MERCHANTABLE TITLE:** Seller shall pay all costs of providing title evidence. For purposes of closing, title evidence  
 201 shall be acceptable if the commitment for the required title insurance is delivered to Buyer's attorney or Buyer not less than 3 business  
 202 days before closing, showing title to the Property as of a date no more than 15 days before delivery of such title evidence to be  
 203 merchantable, subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and  
 204 exceptions, as appropriate. **CAUTION: BUYER SHOULD CONSIDER UPDATING THE EFFECTIVE DATE OF THE TITLE**  
 205 **COMMITMENT PRIOR TO CLOSING OR A "GAP ENDORSEMENT" WHICH WOULD INSURE OVER LIENS FILED BETWEEN THE**  
 206 **EFFECTIVE DATE OF THE COMMITMENT AND THE DATE THE DEED IS RECORDED.**

207 **TITLE ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of objections to title by  
 208 the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to remove the objections, and  
 209 the time for closing shall be extended as necessary for this purpose. In the event that Seller is unable to remove said objections, Buyer  
 210 shall have 5 days from receipt of notice thereof, to deliver written notice waiving the objections, and the time for closing shall be extended  
 211 accordingly. If Buyer does not waive the objections, this Offer shall be null and void. Providing title evidence acceptable for closing does  
 212 not extinguish Seller's obligations to give merchantable title to Buyer.

213 **SPECIAL ASSESSMENTS:** Special assessments, if any, for work actually commenced or levied prior to date of this Offer shall be  
 214 paid by Seller no later than closing. All other special assessments shall be paid by Buyer. **CAUTION: Consider a special agreement**  
 215 **if area assessments, property owner's association assessments or other expenses are contemplated.** "Other expenses" are one-  
 216 time charges or ongoing use fees for public improvements (other than those resulting in special assessments) relating to curb, gutter,  
 217 street, sidewalk, sanitary and stormwater and storm sewer (including all sewer mains and hook-up and interceptor charges), parks, street  
 218 lighting and street trees, and impact fees for other public facilities, as defined in Wis. Stat. § 66.55(1)(c) & (f).

219 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller regarding the  
 220 transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds and inures to the benefit of  
 221 the Parties to this Offer and their successors in interest.

#### 222 **DEFAULT**

223 Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and conditions of this Offer. A  
 224 material failure to perform any obligation under this Offer is a default which may subject the defaulting party to liability for damages or  
 225 other legal remedies.

226 If Buyer defaults, Seller may:

- 227 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
- 228 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) direct Broker to return  
 229 the earnest money and have the option to sue for actual damages.

230 If Seller defaults, Buyer may:

- 231 (1) sue for specific performance; or
- 232 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

233 In addition, the Parties may seek any other remedies available in law or equity.

234 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the  
 235 discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution instead of  
 236 the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of law those disputes  
 237 covered by the arbitration agreement.

238 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD READ**  
 239 **THIS DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS OF THE OFFER BUT**  
 240 **ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL RIGHTS UNDER THIS OFFER OR**  
 241 **HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS NEEDED.**

#### 242 **EARNEST MONEY**

243 **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker (buyer's agent  
 244 if Property is not listed or seller if no broker is involved), until applied to purchase price or otherwise disbursed as provided in the Offer.

245 **CAUTION: Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the Parties**  
 246 **or an attorney. If someone other than Buyer makes payment of earnest money, consider a special disbursement agreement.**

247 **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after clearance  
 248 from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money. At closing, earnest  
 249 money shall be disbursed according to the closing statement. If this Offer does not close, the earnest money shall be disbursed according  
 250 to a written disbursement agreement signed by all Parties to this Offer (Note: Wis. Adm. Code § RL 18.09(1)(b) provides that an offer  
 251 to purchase is not a written disbursement agreement pursuant to which the broker may disburse). If said disbursement agreement has  
 252 not been delivered to broker within 60 days after the date set for closing, broker may disburse the earnest money: (1) as directed by  
 253 an attorney who has reviewed the transaction and does not represent Buyer or Seller; (2) into a court hearing a lawsuit involving the  
 254 earnest money and all Parties to this Offer; (3) as directed by court order; or (4) any other disbursement required or allowed by law.  
 255 Broker may retain legal services to direct disbursement per (1) or to file an interpleader action per (2) and broker may deduct from the  
 256 earnest money any costs and reasonable attorneys fees, not to exceed \$250, prior to disbursement.

257 **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in relation to this  
 258 Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to disbursement per (1)  
 259 or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or Seller disagree with broker's  
 260 proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement. Small Claims Court has jurisdiction over  
 261 all earnest money disputes arising out of the sale of residential property with 1-4 dwelling units and certain other earnest money disputes.  
 262 Buyer and Seller should consider consulting attorneys regarding their legal rights under this Offer in case of a dispute. Both Parties  
 263 agree to hold the broker harmless from any liability for good faith disbursement of earnest money in accordance with this Offer or  
 264 applicable Department of Regulation and Licensing regulations concerning earnest money. See Wis. Adm. Code Ch. RL 18. **NOTE:**  
 265 **WISCONSIN LICENSE LAW PROHIBITS A BROKER FROM GIVING ADVICE OR OPINIONS CONCERNING THE LEGAL RIGHTS**  
 266 **OR OBLIGATIONS OF PARTIES TO A TRANSACTION OR THE LEGAL EFFECT OF A SPECIFIC CONTRACT OR CONVEYANCE.**  
 267 **AN ATTORNEY SHOULD BE CONSULTED IF LEGAL ADVICE IS REQUIRED.**

269 OPTIONAL PROVISIONS: THE PARAGRAPHS AT LINES 271 - 314 WHICH ARE PRECEDED BY A BOX ARE A PART OF THIS OFFER IF  
270 MARKED, SUCH AS WITH AN "X". THEY ARE NOT PART OF THIS OFFER IF MARKED N/A OR ARE LEFT BLANK.

271  N/A PROPOSED USE CONTINGENCY: Buyer is purchasing the property for the purpose of: \_\_\_\_\_

272 \_\_\_\_\_ This Offer is contingent upon Buyer obtaining the following:

273  Written evidence at (Buyer's) (Seller's)  STRIKE ONE expense from a qualified soils expert that the Property is free of any subsoil  
274 condition which would make the proposed development impossible or significantly increase the costs of such development.

275  Written evidence at (Buyer's) (Seller's)  STRIKE ONE expense from a certified soils tester or other qualified expert that indicates that  
276 the Property's soils at locations selected by Buyer and all other conditions which must be approved to obtain a permit for an acceptable private  
277 septic system for: \_\_\_\_\_ [insert proposed use of Property; e.g., three

278 bedroom single family home] meet applicable codes in effect as of the date of this offer. An acceptable system includes all systems approved  
279 for use by the State for the type of property identified at line 277. An acceptable system does not include a holding tank, privy, composting  
280 toilet or chemical toilet or other systems (e.g. mound system) excluded in additional provisions or an addendum per lines 179 - 188.

281  Copies at (Buyer's) (Seller's)  STRIKE ONE expense of all public and private easements, covenants and restrictions affecting the  
282 Property and a written determination by a qualified independent third party that none of these prohibit or significantly delay or increase  
283 the costs of the proposed use or development identified at lines 271 to 272.

284  Permits, approvals and licenses, as appropriate, or the final discretionary action by the granting authority prior to the issuance  
285 of such permits, approvals and licenses at (Buyer's) (Seller's)  STRIKE ONE expense for the following items related to the proposed  
286 development \_\_\_\_\_

287  Written evidence at (Buyer's) (Seller's)  STRIKE ONE expense that the following utility connections are located as follows (e.g.,  
288 on the Property, at the lot line across the street, etc.): electricity \_\_\_\_\_; gas \_\_\_\_\_; sewer  
289 \_\_\_\_\_; water \_\_\_\_\_; telephone \_\_\_\_\_; other \_\_\_\_\_

290 This proposed use contingency shall be deemed satisfied unless Buyer within \_\_\_\_\_ days of acceptance delivers  
291 written notice to Seller specifying those items of this contingency which cannot be satisfied and written evidence substantiating why each  
292 specific item included in Buyer's notice cannot be satisfied.

293  N/A MAP OF THE PROPERTY: This Offer is contingent upon (Buyer obtaining) (Seller providing)  STRIKE ONE a map of the Property prepared  
294 by a registered land surveyor, within \_\_\_\_\_ days of acceptance, at (Buyer's) (Seller's)  STRIKE ONE expense. The map shall identify the legal  
295 description of the Property, the Property's boundaries and dimensions, visible encroachments upon the Property, the location of improvements,  
296 if any, and: \_\_\_\_\_

297 \_\_\_\_\_  STRIKE AND COMPLETE AS APPLICABLE Additional map features  
298 which may be added include, but are not limited to: specifying how current the map must be; staking of all corners of the Property; identifying  
299 dedicated and apparent street, lot dimensions, total acreage or square footage, easements or rights-of-way. CAUTION: Consider the cost  
300 and the need for map features before selecting them. The map shall show no significant encroachment(s) or any information materially  
301 inconsistent with any prior representations to Buyer. This contingency shall be deemed satisfied unless Buyer, within five days of the earlier  
302 of: 1) Buyer's receipt of the map, or 2) the deadline for delivery of said map, delivers to Seller, and to listing broker if Property is listed, a copy  
303 of the map and a written notice which identifies the significant encroachment or the information materially inconsistent with prior representations.

304  N/A INSPECTION CONTINGENCY: This Offer is contingent upon a qualified independent inspector(s) conducting an inspection(s), at  
305 Buyer's expense, of the Property and \_\_\_\_\_

306 \_\_\_\_\_ which discloses no defects as defined below. This contingency shall be deemed satisfied  
307 unless Buyer within \_\_\_\_\_ days of acceptance delivers to Seller, and to listing broker if Property is listed, a copy of the inspector's  
308 written inspection report and a written notice listing the defects identified in the report to which Buyer objects. This Offer shall be null and  
309 void upon timely delivery of the above notice and report. CAUTION: A proposed amendment will not satisfy this notice requirement.

310 Buyer shall order the inspection and be responsible for all costs of inspection, including any inspections required by lender or follow-up to  
311 inspection. Note: This contingency only authorizes inspections, not testing, see lines 98 to 110. For the purposes of this contingency a defect  
312 is defined as any condition of the Property which constitutes a significant threat to the health or safety of persons who occupy or use the  
313 Property or gives evidence of any material use, storage or disposal of hazardous or toxic substances on the Property. Defects do not include  
314 conditions the nature and extent of which Buyer had actual knowledge or written notice before signing this Offer.

315 This Offer was drafted on 05/11/2012 [date] by [Licensee and Firm] Gerald A. Baker Milwaukee County

316 (X) \_\_\_\_\_ Social Security No. or FEIN \_\_\_\_\_ Date 5/29/2012  
317 Buyer's Signature Print Name Here: THOMAS KARKULA

318 (X) \_\_\_\_\_ Social Security No. or FEIN \_\_\_\_\_ Date \_\_\_\_\_  
319 Buyer's Signature Print Name Here: \_\_\_\_\_

320 EARNEST MONEY RECEIPT Broker acknowledges receipt of earnest money as per line 8 of the above Offer. (See lines 242 - 267)

321 Milwaukee County Broker (By)

322 SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER SURVIVE CLOSING AND  
323 THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY ON THE TERMS AND CONDITIONS AS SET FORTH  
324 HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS OFFER.

325 (X) \_\_\_\_\_ Social Security No. or FEIN \_\_\_\_\_ Date \_\_\_\_\_  
326 Seller's Signature Print Name Here: Craig Dillmann Manager, R.E.

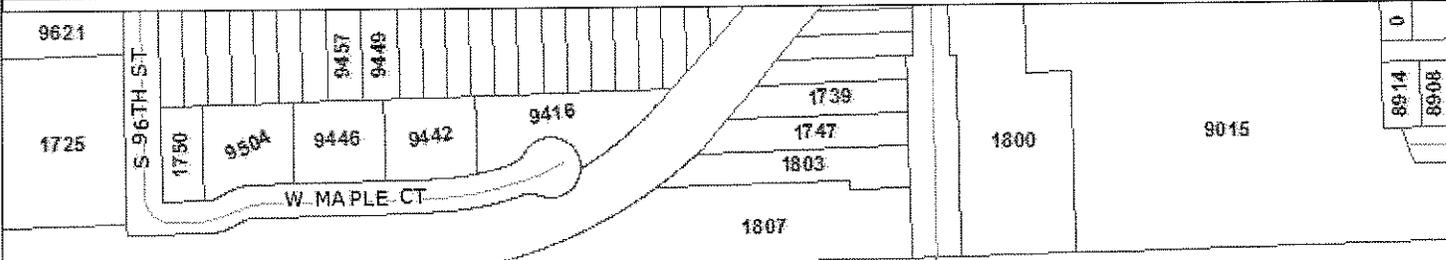
327 (X) \_\_\_\_\_ Social Security No. or FEIN \_\_\_\_\_ Date \_\_\_\_\_  
328 Seller's Signature Print Name Here: \_\_\_\_\_

329 This Offer was presented to Seller by \_\_\_\_\_ on \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_ a.m./p.m.

330 THIS OFFER IS REJECTED \_\_\_\_\_ THIS OFFER IS COUNTERED [See attached counter] \_\_\_\_\_  
331 Seller Initials Date Seller Initials Date

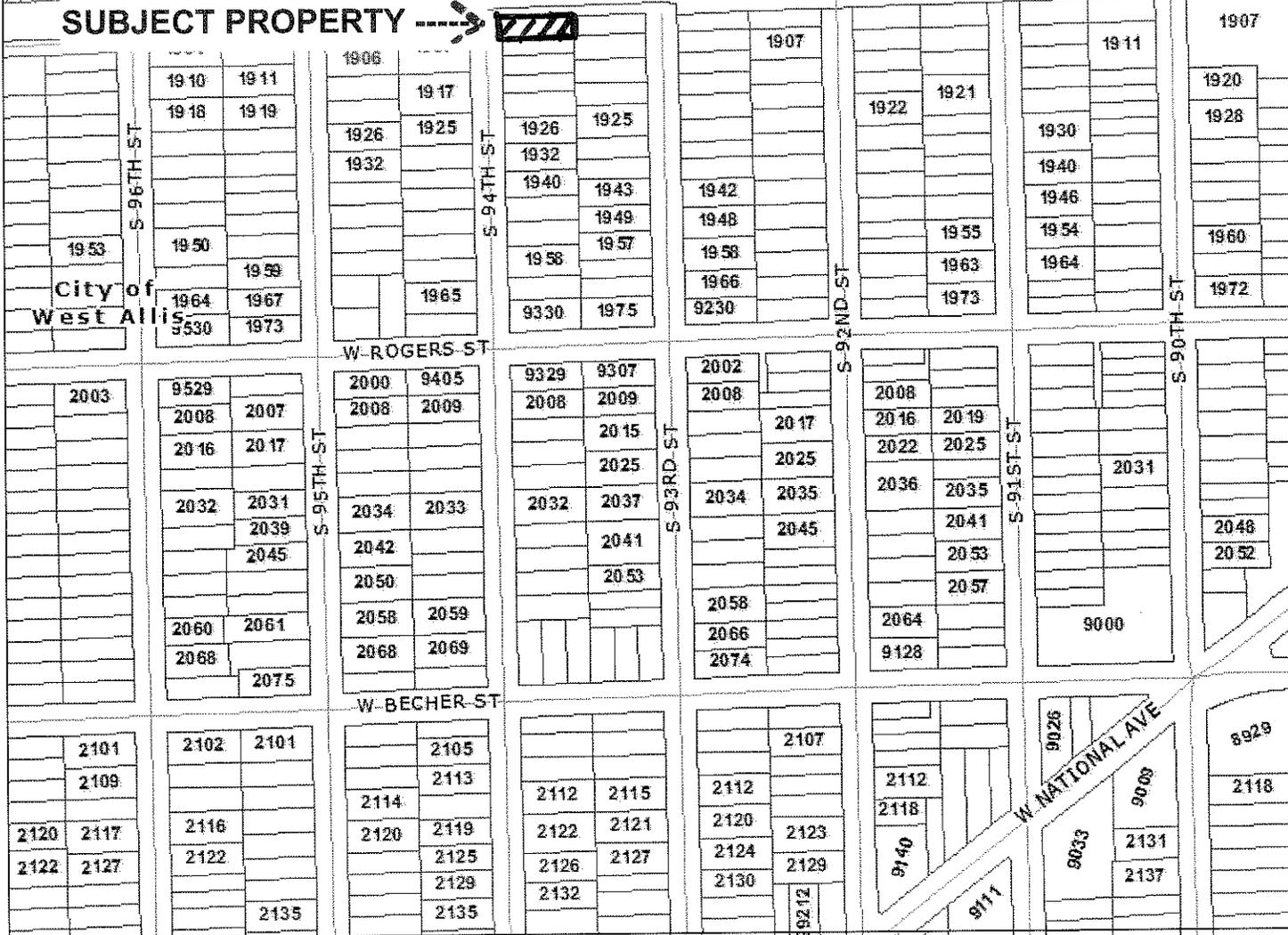


# MILWAUKEE COUNTY INTERACTIVE MAP SERVICE



CHICAGO & NORTH WESTERN / UNION PACIFIC

**SUBJECT PROPERTY** →

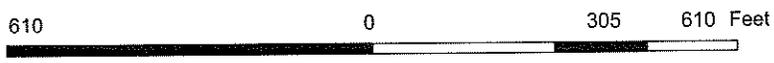


**Notes**  
 1900 South 94th Street  
 Vacany Lot

THIS MAP IS NOT TO BE USED FOR NAVIGATION © MCAMLIS



**DISCLAIMER:** This map is a user generated static output from the Milwaukee County Land Information Office Interactive Mapping Service website. The contents herein are for reference purposes only and may or may not be accurate, current or otherwise reliable. No liability is assumed for the data delineated herein either expressed or implied by Milwaukee County or its employees.



**Legend** 1: 3,660

- County Boundary
- Highways, to 8k
- Street Centerlines, 0k to 8k
- Railroad 8k
- Water 8k
- Rivers 8k
- Airport 8k
- Landmarks 8k
- County Parks 8k
- Municipal Subdivisions 25k

(ITEM ) Reference file established by the County Board Chairperson relative to offers to purchase on lands under County control with an undesignated use, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, the Real Estate Section of the Economic Development Division of the Department of Administrative Services received an offer to purchase on an excess County-owned vacant lot located at 1900 South 94<sup>th</sup> Street in the City of West Allis; and,

WHEREAS, the subject property, appraised at \$10,500, is a 35' X 135' vacant residential lot; and

WHEREAS, the Milwaukee County Treasurer acquired the property for delinquent taxes by foreclosure proceedings; and

WHEREAS, the property has been listed for more than a year at an asking price of \$11,900; and

WHEREAS, the offer, in the amount of \$11,900 cash, is from Thomas Karkula. Mr. Karkula plans to build a house on the property to be used as his residence; and

WHEREAS, the Committee on Economic and Community Development at their meeting on June 18, 2012 recommended acceptance of the above-described offer from Thomas Karkula in the amount of \$11,900; now, therefore,

BE IT RESOLVED, that the Manager of Real Estate Services is hereby authorized to sign the above described offer to purchase from Thomas Karkula; and

BE IT FURTHER RESOLVED, that the County Executive and the County Clerk are hereby authorized to convey by Warranty Deed the subject property located at 1900 South 94<sup>th</sup> Street in the City of West Allis to Thomas Karkula and/or assigns for the consideration of \$11,900, pursuant to the terms and conditions of his offer to purchase.

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** May 31, 2012

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** Offer to purchase on a County-owned vacant lot located at 1900 South 94th Street in the City of West Allis, Wisconsin.

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input checked="" type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
|--|--|

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure	1,000	
	Revenue	11,900	
	Net Cost	- 10,900	
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. <sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

FISCAL NOTE: Sale proceeds less expenses shall be deposited into W0624 - Work Force – Economic Development account.

Department/Prepared By Craig C. Dillmann

Authorized Signature \_\_\_\_\_

Did DAS-Fiscal Staff Review?  Yes  No

---

<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

## COUNTY OF MILWAUKEE

## INTER-OFFICE COMMUNICATION

DATE: May 29, 2012

TO: Committee on Economic and Community Development

FROM: Craig C. Dillmann, Manager, Real Estate Services

SUBJECT: Status of 2012 excess property sales (**INFORMATION ONLY**)

The Real Estate Services Section of the Economic Development Division of the Department of Administrative Services reports, on a monthly basis, the status of excess property sales. Attached is the monthly report for period ending May 31, 2012.

---

Craig C. Dillmann, Manager  
Real Estate Services

Meeting Date: June 18, 2012

cc. Chris Abele, County Executive  
Marina Dimitrijevic, County Board Chairwoman  
Patrick Farley, Director of Administrative Services  
Brian Taffora, Director of Economic Development  
Vince Masterson, Fiscal Management Analyst

**REAL ESTATE SERVICES SECTION**

REVENUE STATUS REPORT  
Period ending May 31, 2012

**CLOSED PROPERTIES**

Property	Committee Date	Closed	Gross Sale Proceeds
Blocks 3E, 4E, 5E Park East (MSOE)	January 23, 2012	March 20, 2012	\$ 1,543,265.00 <sup>1</sup>
Adj. 4407 West Brown Deer Road, Brown Deer	January 23, 2012	March 30, 2012	\$ -0-
		<b>TOTAL</b>	<b>\$ 1,543,265.00</b>
		<b>2012 Budget</b>	<b>\$ 400,000.00</b>

**PENDING PROPERTY CLOSINGS**

Property	Committee Date	Pending Closing	Purchase Price
Block 6E, Park East Development	April 3, 2006	2013	\$ 406,000.00 <sup>2</sup>
		<b>TOTAL</b>	<b>\$ 406,000.00</b>

**GENERAL PROPERTY STATUS**

Property	Committee Date	Status	Asking Price
6213-15 North Willow Glen Lane, Glendale		Available for sale	\$ 49,500.00
2018 East Beverly Road, Shorewood		Available for sale	\$ 77,900.00
1301 South 58 <sup>th</sup> Street, West Allis		Available for sale	\$ 46,900.00
5414-22 South Packard Avenue, Cudahy		Available for sale	\$ 35,000.00
3618 East Grange, Cudahy		Available for sale	\$ 4,900.00
3749 East Squire, Cudahy		Available for sale	\$ 25,000.00
8450 West Beatrice Ct., Milwaukee		Available for sale	\$ 375,000.00 <sup>3</sup>
3802 East Cudahy Avenue, Cudahy		Available for sale	\$ 38,900.00
1904 S. 94 <sup>th</sup> Street, West Allis	Presenting offer	Available for sale	\$ 11,900.00

1. County's share of \$ 2,660,802 net proceeds
2. County's share of \$ 700,000 sales price
3. Net proceeds to Federal Transportation Administration

**REAL ESTATE SERVICES SECTION**

**SUMMARY DETAIL OF PENDING PROPERTY CLOSINGS**

<b>PROPERTY</b>	<b>BUYER</b>	<b>CLOSING</b>	<b>COMMENTS</b>
Block 6E, Park East	Rainier Properties II, LLC	3 <sup>rd</sup> quarter 2012	Option granted until June 30, 2012. Rainier requesting an extension to option.

**SUMMARY DETAIL OF UWM, INNOVATION PARK, LLC SALE**

<b>PROPERTY</b>	<b>BUYER</b>	<b>CLOSING</b>	<b>COMMENTS</b>
NE Quadrant County Grounds	UWM, Innovation Park, LLC	February 15 2011	<p>Initial \$5 million paid February 15, 2011.</p> <p>County Board extended each of the purchase price installment payment dates after closing by twenty-four (24) months as follows:</p> <ul style="list-style-type: none"> <li>• Second \$5 million payable on February 15, 2014</li> <li>• \$887,500 payable on February 15, 2015</li> <li>• \$887,500 payable on February 15, 2016</li> <li>• \$887,500 payable on February 15, 2017</li> <li>• \$887,500 payable on February 15, 2018</li> </ul>



## Community Business Development Partners

# MILWAUKEE COUNTY

MARINA DIMITRIJEVIC • Chairwoman, Milwaukee County Board of Supervisors  
 FREIDA WEBB • Director, Community Business Development Partners

## INTER-OFFICE COMMUNICATION

DATE: June 8, 2012

TO: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors  
 Supervisor Patricia Jursik, Chairwoman, Economic & Community Development Committee  
 Supervisor Members, Economic & Community Development Committee

FROM: Freida Webb, Director, Community Business Development Partners

SUBJECT: **DBE WAIVER REPORT FOR APRIL 2012**

### DIRECTIVE

At the request of the Committee on Economic and Community Development, the Community Business Development Partners Department (CBDP) provides a monthly update on the Disadvantaged Business Enterprise (DBE) utilization waivers requested by, and granted to, Milwaukee County departments/divisions.

### BACKGROUND

CBDP is responsible for designing, implementing, monitoring and enforcing Milwaukee County's DBE Program in order to maintain compliance with Federal Regulations and Milwaukee County Ordinances. Implementation of the Program includes establishing DBE goals on, both, Federal and County funded contracts, as well as monitoring and enforcing compliance of these contracts. DBE goals may only be established on contracts where opportunities exist for ready, willing and able DBE firms to perform commercially useful functions related to the satisfaction of those contracts.

In 1999, the United States Department of Transportation (USDOT) implemented DBE Program rules with seven objectives directed at creating a level playing field on which DBEs could compete fairly for USDOT-assisted contracts. This legislation, 49 CFR Part 26, requires all recipients of USDOT funds to establish and maintain a DBE program that, not only, complies with the intent and language of the legislation, but that has also been reviewed and approved by USDOT. As a result of public and private stakeholder input, Milwaukee County determined and approved, by action of the County Board, to establish and maintain a program based upon the Federal DBE Program rules and standards for all of its contracts. This action of the County Board and County Executive established, and adopted, rules and regulations of USDOT Office of the Secretary, per the Federal Register (49 CFR Parts 23 and 26), over Milwaukee County's Federally, and County, funded projects.

Milwaukee County, as a Federal funding recipient, is required to provide and establish contract opportunities for DBEs on its projects based upon the number of ready, willing and able firms certified to perform within the scope(s) of each of these projects. Only firms certified as DBEs through Wisconsin's Unified Certification Program (UCP), a consortium of 24 municipalities and agencies throughout the State, count as ready, willing and able firms for this purpose. Four of the UCP members serve as certifying partners for the consortium, Milwaukee County, WisDOT, Dane County, and the City of Madison; sharing the responsibility of verifying and maintaining the certifications of the 907 current DBE firms throughout the State, while processing all new applications.

DBE GOALS

The Milwaukee County Board of Supervisors has established the County's overall desired levels of DBE participation as follows:

Public Works, Construction & Design	25%
Time & Material Contracts	25%
Professional Service Contracts	17%
Procurement of Service Contracts	17%
Procurement of Goods & Commodities	10%

WAIVER REQUESTS

When CDBP receives a waiver request from a department/division, staff thoroughly reviews it and available supporting documentation before forwarding the request on to the Director for determination. The Director may require staff to gather more comprehensive information or to provide more detailed clarification regarding any identified issues prior to issuing a determination.

WAIVER REPORT SUMMARY

The **DBE Waiver Report for April 2012**, as compiled and attached by CDBP, notes the following totals and overall percentage of waiver requests. Please see the attachment for waivers requested as broken out by individual owner department, contractor/consultant awarded, scope of services rendered, total contract amounts, and reason for approval, or lack thereof.

<b>Total Contracted Dollars for April 2012</b>	<b>\$</b>	<b>3,242,407.21</b>
<b>Total Contracted Dollars w/ Waiver Approval</b>	<b>\$</b>	<b>2,069,659.28</b>
<i>(Total for EMS service provision assistance)</i>	<i>\$</i>	<i>1,705,000.00</i>
<b>Total Contracted Dollars w/o Waiver Approval</b>	<b>\$</b>	<b>237,323.00</b>
<b>Percentage of Contracts Waived for April 2012</b>		<b>71.15%</b>

RECOMMENDATION

The following CDBP staff members prepared this information only report, and humbly propose that it be received and filed, as such.



Mildred Hyde-Demoze  
Certification Manager



Mark Phillips  
Contract Compliance Manger, DBE

Approved by:



Freida Webb  
Director

CC: Chris Abele, Milwaukee County Executive

# Milwaukee County Community Business Development Partners Department (CBDP) DBE Waiver Report April 2012

DEPARTMENT	CONSULTANT/CONTRACTOR	SCOPE OF SERVICES	CONTRACT AMOUNT	APPROVAL REASON
<b><u>CBDP Approved Waivers <sup>1</sup></u></b>				
Aging	UW Board of Regents	Coordinate & staff "Wellness Works" at 5 senior fitness centers	49,544.00	No DBEs (Minority & Women Staffing Required)
Behavior Health Division	City of Wauwatosa	Provide EMS services	135,000.00	Fiscal Support (Total Contract \$565,000 over 4 yrs)
Behavior Health Division	City of West Allis	Provide EMS services	120,000.00	Fiscal Support (Total Contract \$530,000 over 4 yrs)
Behavior Health Division	City of Franklin	Provide EMS services	145,000.00	Fiscal Support (Total Contract \$650,000 over 4 yrs)
Behavior Health Division	City of Greenfield	Provide EMS services	125,000.00	Fiscal Support (Total Contract \$590,000 over 4 yrs)
Behavior Health Division	City of Milwaukee	Provide EMS services	655,000.00	Fiscal Support (Total Contract \$3,230,000 for 4 yrs)
Behavior Health Division	North Shore Fire Department	Provide EMS services	205,000.00	Fiscal Support (Total Contract \$950,000 over 4 yrs)
Behavior Health Division	City of Oak Creek	Provide EMS services	150,000.00	Fiscal Support (Total Contract \$710,000 over 4 yrs)
Behavior Health Division	City of South Milwaukee	Provide EMS services	165,000.00	Fiscal Support (Total Contract \$775,000 over 4 yrs)
Behavior Health Division	Medical College of Wisconsin	EMS Medical Director services	5,000.00	Fiscal Support (Total Contract \$565,000 over 5 yrs)
DOT-Airport Division	Kutak Rock LLP	Provide legal services related to transfer of 440th ARS to County	20,000.00	Specialized Legal Services
Parks - by DAS - FM	Mead & Hunt	Oak Leaf Trail Phase 4 - Historic & Archaeological Review	6,815.28	No DBEs on WisDOT list of Archaeological Surveyors
Parks - by DAS - FM	ESP Products dba Port-A-Pier	Boat Launch Piers	199,800.00	No DBEs to provide specialized product (pier system)
Zoo	World Bird Sanctuary	Produce a "Birds of Prey" show	88,500.00	No DBEs (Total Contract \$177,000 over 2 years)
<b><u>Contracts Issued Without CBDP Review <sup>2</sup></u></b>				
Sheriff's Office	ATTIC Correctional Services, Inc.	AODA Treatment, Intervention, Art Classes at CCFS	62,323.00	Contract amended & increased to \$505,835.42
Sheriff's Office	United Dynacare LLC	Inmate laboratory services	175,000.00	Contract amended & increased to \$363,567.51
<b>Total Contract \$ Amount for April</b>			<b>\$3,242,407.21</b>	
<b>Total Approved Waiver \$ Amount</b>			<b>\$2,069,659.28</b>	Total of \$1,705,000 for EMS service provision assistance
<b>Total Unapproved Waiver \$ Amount</b>			<b>\$237,323.00</b>	
<b>Percentage Waived</b>			<b>71.15%</b>	
 <sup>1</sup> Waivers approved by CBDP; within guidelines of Code of General Ordinances				
 <sup>2</sup> Contracts issued by Departments without CBDP review, approval, or a DBE goal; CBDP is only made aware of these projects when accounts payable forwards new contract information				