



OFFICE OF THE COUNTY EXECUTIVE
Milwaukee County
CHRIS ABELE • COUNTY EXECUTIVE

Date: August 28, 2014
To: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors
From: Chris Abele, County Executive
Subject: Appointment of Dan Bukiewicz to the Milwaukee County Research Park Corporation Board of Directors

Subject to the confirmation of your Honorable Body and pursuant to the provisions set forth in County Board Resolution File Nos. 84-945, 86-64 and 88-270, I am hereby appointing Dan Bukiewicz to serve on the Milwaukee County Research Park Corporation Board of Directors. Mr. Bukiewicz's term will expire on February 1, 2016. He is completing the term of Mike Gonzalez, who has resigned.

Your consideration and confirmation will be appreciated.

Chris Abele
Milwaukee County Executive

cc: Supervisor Pat Jursik, Economic and Community Development Committee, Chair
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Alexis Gassenhuber, Committee Clerk
William Drew, Milwaukee County Research Park Corporation
Dan Bukiewicz

DANIEL J. BUKIEWICZ

S White Oak Drive • Oak Creek, WI

KEY AREAS OF COMPETENCY

- ◆ Microsoft Word
- ◆ Microsoft Excel
- ◆ Oral and Written Skills
- ◆ Leadership and Decision Making Capabilities
- ◆ Health Plan Analysis
- ◆ Contract Negotiations Skills
- ◆ Understand and work within budgets
- ◆ Project Management
- ◆ Customer Service
- ◆ Political and Economic background
- ◆ Results Oriented
- ◆ Excellent Communication Skills

CERTIFICATIONS AND TRAINING

- ◆ Wisconsin State Electrical Journeyman License
- ◆ NFPA70E Certified
- ◆ MSHA Certified
- ◆ OSHA 30 Certified
- ◆ Supervisor Training Academy
- ◆ Casual Customer Business Conversation
- ◆ First Impressions for Customer Service
- ◆ Public Presentation Speaking
- ◆ AccuBid Estimating Program
- ◆ Professional Management of People 1 & 2
- ◆ Roberts Rule of Order Trained
- ◆ Wisconsin State Government Disclosure Laws
- ◆ Business Negotiations
- ◆ J.A.T.C. Certified Mentor

PROFESSIONAL EXPERIENCE

President, Milwaukee Building and Construction Trades Council (2014-present)

- Serve as representative for all 18 trade unions and affiliated councils in Southeastern Wisconsin on all development projects, work related issues and political matters.
- Provide representation for 13,000 workers in Milwaukee, Waukesha, Washington, and Ozaukee Counties on work related matters or issues.
- Negotiating contracts, pensions, annuities, wage and benefit packages for all 18 local trade and affiliated councils with public sector and public school workers in Milwaukee County.
- Negotiating contracts, pensions, annuities, wage and benefit packages all of the signatory workers at the Veolia Milwaukee plant.
- Director of Building Trades Safety Committee.
- Negotiate all area project labor agreements in Milwaukee, Waukesha, Washington, and Ozaukee Counties.
- Oversee all community volunteer work performed and donated by the Milwaukee Building and Construction Trades Council.
- Facilitate all management labor meeting regarding construction related issues.

Business Representative, I.B.E.W. Local 494 Milwaukee, WI. (2012- 2014)

Responsible for representing all inside wireman and manufacturing personnel currently belonging to the membership of International Brotherhood of Electrical Workers Local 494. Provide representations for all contracts, apprenticeships, pensions, grievances, and communications with the various industries and businesses. Act as local 494 political registrar.

- Serves as business representative for all 1800 Local 494 electrical workers in Milwaukee, Waukesha, Washington, and Ozaukee Counties.
- Lead and assist in negotiating contracts, pensions, annuities, wage and benefit packages for all Local 494 electrical workers in Milwaukee, Waukesha, Washington, and Ozaukee Counties.
- Represent all of the electrical workers at the MaltEup Milwaukee plant.
- Advisor to MaltEup Corporation on setting up and establishing a new state recognized electrical maintenance apprentice program.
- Represent all electrical workers at the Miller/Coors Milwaukee plant.
- Successfully negotiated new 3 year contract agreement with Dietz Electric Motor Shop.
- Represent all of the electrical personnel at the Milwaukee Journal/Sentinel for a new 3 year working agreement.
- Represent all of the electrical personnel at the Milwaukee Problocki Sign Company for a new 5 year working agreement.
- Represent all of the electrical personnel at the Milwaukee Lemberg Electric Sign division for a new 3 year working agreement.
- Represent all of the electrical personnel at the Kurtz Motor Shop.
- Act as recording secretary for I.B.E.W. Local 494 PAC committee.

2nd District Alderman, Oak Creek, WI (April 2008 - Present)

Lead and represent the interest of 3500 to 4000 residents in the 2nd District for the City of Oak Creek, WI. Oversee and work closely with the city's elected officials, department managers, city administrator and attorney, to plan, budget and operate the city, for future growth.

- Elected April, 2008 re-elected April, 2010 and April 2012 each serving a term of two years.
- Assist in maintaining city budgets averaging 21 million to 24 million in annual operating cost without a rise in the cost of local taxes or the tax levy from 2008-Present.
- Serves as Common Council Representative, overseeing and approving all department budget requests.
- Serves as Common Council Representative to control spending and set ordinances.
- Create or modify any city ordinances or resolutions.
- Serves as Finance Committee Representative, reviewing city economic policies and procedures.
- Serves as Emergency Management Committee Representative, reviewing city emergency policies and procedures.
- Serves as Planning Committee Representative, reviewing all potential development ensuring current plans and ordinances are met.
- Serves as Personnel Committee Representative, negotiating all labor contracts and grievances with the city.
- Serves as Park and Recreation Board Member, overseeing and approving all budget related issues.
- Serves on the Oak Community Center Board of Directors Counsel, overseeing the Centers nonprofit and profit finances and assist in its fund raising activities.
- Address any resident complaint or question regarding the city of Oak Creek, including but not limited to Department of Transportation issues and Milwaukee County and State issues.
- Assisted in successfully negotiating voluntary labor agreement with AFSCME Local 133 in the City of Oak Creek from 2009- 2011.
- Assisted in successfully negotiating voluntary labor agreements with the International Association of Firefighters, local 1848, in the City of Oak Creek from 2009-2011 and 2012-2014.
- Assisted in successfully negotiating voluntary labor agreements with the Professional Police Association in the City of Oak Creek for 2009- 2011 contract and the 2012-2014 contract.
- Assisted in successfully negotiating voluntary labor agreements with Police Supervisors, in the City of Oak Creek from 2009- 2011 and 2012-2014.
- Assisted in successfully negotiating voluntary labor agreements with the Professional Police Clerk/ Matrons and Dispatchers in the City of Oak Creek from 2009- 2011 and 2012-2014
- Assisted in all labor grievances brought to the city by all represented bargaining units, in the City of Oak Creek from 2009- Present.

Service Department Manager, Pieper Electric, Milwaukee, WI (2006 – 2012)

Responsible for a budget of \$1.8 million in sales, with supervision over 13 Journeymen and 1 Apprentice with an industrial customer service focus. Provide unparalleled customer support thru electrical knowledge, workmanship and personnel service.

- 2012 Year to date Sales totaling \$500,000.00.
- Exceeded 2011 budgeted goal of \$1.6 million generating sales over \$2 million.
- Targeted and secured 5 new customers resulting in \$500,000 in new sales for continued growth.
- Manage and control departmental working capital, below 7 percent goal, for outstanding receivables.
- Strong customer relationships with customers resulting in being the preferred contractor.
- Developed and mentored other journeymen and apprentices to help meet customers or industry needs.
- Developed and mentored department managers to help meet Branch, customer and sales goals.
- Facilitate and provide all project estimates and formal proposals.
- Administered and performed weekly billing reviews with accounts payable and customers for invoice accuracy.
- Assisted and negotiated from customers, account receivables if pass due by 120 days.

- Perform and implement development reviews and departmental goals for direct reports.
- Team player in supporting other departments needing additional manpower, industry knowledge, and technical expertise.
- Worked over 70 business accounts with an emphasis on industrial manufacturing.
- Major accounts
Briggs and Stratton, Badger Alloys, GE Medical Equipment, Ashland Performance Chemical, ABB Corp. C&D Technologies, Rexnord, Oil Gear Co. Telsmith Corp. Pferd Brush Co. Lippmann Co. Complete Heat Treat, Wisconsin steel, Metaltek Foundry / Wisconsin Centrifugal, Brenntag Great Lakes, Lafarge Aggregates Co. Appleton Foundry, Black Bear Soda, Charter Automotive, Charter Steel, Astro Tool. Tulip Corp. Aldrich Chemical, Dana Corp. Pent Air Corp, Hystro Tool, Heim Corp. Hi-Mar Chemical.

Account Representative Service Truck Driver, Pieper Electric Milwaukee, WI (2006-1993)

- Provided service or troubleshoot any electrical equipment, machine or building apparatus as required.
- Supervised customer related projects, meeting or exceeding budget and schedule.
- Provided estimate of potential cost.
- Design or planned electrical modifications or designs to meet customer needs.
- Facilitated and tracked all needed material and manpower for customer.
- Handled all job related purchase orders and work authorizations.
- Targeted potential new customers.

Electrical Foreman, Spectrum Electric Milwaukee, WI (1993-1991)

- Provided supervision for small commercial projects.
- Project crew member on any build outs or remodeled projects.
- Installed all required electrical equipment for project completion.
- Performed periodic service calls.

Service Truck Driver, National Electric Milwaukee, WI (1991 – 1991)

- Performed all service truck calls, as needed.
- Handled and processed all required paper work.
- Provided supervision of small Industrial /commercial projects.
- Work as a member of a project crew on any build outs or remodel projects as needed.
- Installed all required electrical equipment for project completion.

Journeyman/Apprentice, Spectrum Electric Milwaukee, WI (1991-1986)

- Provided supervision for small commercial projects.
- Project crew member on any build outs or remodeled projects.
- Installed all required electrical equipment for project completion.

EDUCATION

- ◆ State Indentured Apprenticeship, Milwaukee, WI (1986-1990)
- ◆ Milwaukee Hamilton High School, Milwaukee, WI (1980-1983)

ADDITIONAL EDUCATION / TRAINING

- ◆ Milwaukee Hamilton High School, graduate (1980-1983)
- ◆ M.A.T.C. Principals of Electricity and Electrical Math (1985-1986)
- ◆ Foreman and Lead Man Training, Pieper Electric (1995)
- ◆ M.A.T.C. Building Construction and Inspection (1998-1999)
- ◆ Franklin Covey 7 Habits of Highly Successful People, Pieper Electric (1999)
- ◆ Microsoft Word / Microsoft Excel Intermediate, Pieper Electric (2000)
- ◆ M.A.T.C Home and Reality Inspection (2000)
- ◆ Franklin Covey Highly Effective Time Management, Pieper Electric (2002)
- ◆ Supervisor Training, Pieper Electric (2003)
- ◆ Allen Bradley PLC Training, Holt Electric (2004)
- ◆ Building construction and inspection (2005)
- ◆ Budgeting and Business planning (2007)
- ◆ Understanding and using Clever reports (2009)
- ◆ Progress Wisconsin GABS Election Campaign Reporting (2012)
- ◆ City of Oak Creek Robert's Rules of Order (2008,2012)
- ◆ School of Workers Steward Training (2012)
- ◆ School for Workers Essentials of Collective Bargaining (2012)
- ◆ School for Workers Dealing with Concession Demands (2012)
- ◆ School of Labor and Employment Relations University of Illinois Labor education Program IBEW 6th District Arbitration Institute Preparing and Presenting arbitration Cases (2012)
- ◆ Pro Union Consulting Contractor Business Course (2012)
- ◆ Wisconsin Extension School for Workers Union History (2013)
- ◆ Wisconsin Extension School for Workers Leadership Academy(2013-2014)

AWARDS / ACHEIVEMENTS

- ◆ Common Council President, City of Oak Creek, WI (2009 - 2010)
- ◆ Apprentice Mentor, J.A.T.C. (2011 – Present)
- ◆ Governance Board member Tosa School of the Trades. (2010-present)
- ◆ Delegate to the Milwaukee Building Trades Council. (2012-present)
- ◆ IBEW Local 494 Resister (2012-present)
- ◆ IBEW Local 494 PAC recording secretary (2011- present)
- ◆ IBEW Local 494 Political Outreach Coordinator (2012-present)

- ◆ IBEW Health Awareness Committee (2012- present)
- ◆ Greater Milwaukee Committee (2014-present)
- ◆ WRTP/Big Step Board of Directors (2014-present)
- ◆ Bradley Tech Foundation Board of Directors (2014-present)
- ◆ Co-Chair man of the Construction Labor Management Committee (2014-present)
- ◆ Recording Secretary/Finance Officer for the State Building Trades Committee (2014-present)

ACTIVITIES

- ◆ Oak Creek /Franklin School Board, Career Day speaker, representing trade apprenticeships (2011- present)
- ◆ Wauwatosa School of the Trades board of Governance (2011- present)
- ◆ Oak Creek 4th of July Parade and Activities Volunteer, City of Oak Creek (2008 – Present)
- ◆ National Night Out Volunteer, Oak Creek, WI (2008- Present)
- ◆ Oak Creek Community Pig Roast Volunteer, Oak Creek, WI (2008 – Present)
- ◆ Oak Creek Community Concert in the Park Volunteer, Oak Creek, WI (2008 – Present)
- ◆ Oak Creek Knight Out Spaghetti Dinner, Oak Creek, WI (2009)
- ◆ Junior Achievement Volunteer (2010 – 2011)
- ◆ Future Business Leader of America volunteer judge/mentor (2012-present)

REFERENCES: Available upon request

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE: August 28, 2014

TO: Supervisor Pat Jursik, Chairperson, Economic & Community Development Committee

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

SUBJECT: **Informational report from the Director, Department of Health and Human Services, regarding the 2015 Community Development Block Grant (CDBG) allocation process and public hearing**

Background

As part of the annual Community Development Block Grant (CDBG) process, all applicants are invited to attend a public hearing and present their proposals to the Economic and Community Development Committee. The Department of Health and Human Services (DHHS) - Housing Division has completed its review of all 2015 proposals and sent letters to the agencies notifying them of the public hearing (see attached letter). The applicants will attend the September 12, 2014 Economic and Community Development Committee meeting to present a three-minute summary to committee members.

Issue

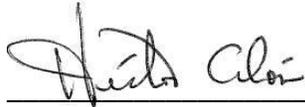
The Housing Division has reviewed all of the 2015 CDBG applications, including the proposed activities. Organizations have been directed to provide a short presentation to the committee including information on how the proposed activity will benefit the residents of Milwaukee County’s CDBG jurisdiction and how the activity will primarily benefit low to moderate income people (per the National Objective standards established by HUD). The public hearing is a necessary and critical step toward approving the CDBG 2015 projects and related funding for the 2015 Annual Plan.

Following the public hearing, the CDBG review panel will examine all proposals and make recommendations for funding to the Economic and Community Development Committee for approval by the County Board of Supervisors and the County Executive. These recommendations will be brought to the Economic Development Committee for a special session on September 22. Once the Board approves the projects, the 2015 Annual Plan will be published for comment for 30-days, as required.

Any public comments will then be incorporated into the final 2015 Annual Plan and the Plan will then be submitted to HUD for approval.

Recommendation

This is an informational report. No action is necessary.



Héctor Colón, Director
Department of Health and Human Services

cc: County Executive Chris Abele
Raisa Koltun, County Executive's Office
Kelly Bablitch, County Board
Don Tyler, Director, DAS
Josh Fudge, Director, Office of Performance, Strategy & Budget
Matt Fortman, Fiscal & Management Analyst, DAS
Alexis Gassenhuber, Committee Clerk – County Clerk's Office
Jill Suurmeyer, Research Analyst - Comptroller's Office

PUBLIC HEARING NOTICE

In accordance with 24 CFR 91.105 and as the lead agency for the Milwaukee Urban County Jurisdiction and the Milwaukee County HOME Consortium, Milwaukee County is holding a public hearing for input in the 2015 Annual Plan outlining the use of CDBG and HOME funds received from the US Department of Housing and Urban Development estimated to total \$2.3 million. This public hearing will include hearing oral presentations from all potential grant Sub-recipients who have timely submitted their grant proposals and are eligible grant applicants seeking to receive CDBG funds for the 2015 grant cycle. The hearing will be held as part of the Milwaukee County Economic and Community Development Committee of the County Board meeting on September 12, 2014 at 8:30 a.m. in the Milwaukee County Courthouse, 901 N. 9th Street, Room 203-R. Written comments may be submitted to Milwaukee County Housing, Attn: Jean Wolfgang, 2711 W. Wells Street, Room 102, Milwaukee, WI 53208, or emailed to jean.wolfgang@milwcnty.com. For questions, call 414-278-4880.



DEPARTMENT OF HEALTH & HUMAN SERVICES

HOUSING DIVISION

Milwaukee County



August 12, 2014

Dear Community Development Block Grant (CDBG) Applicant:

Your application for 2015 CDBG funding will be reviewed by the Milwaukee County Board of Supervisors at the Economic and Community Development (ECD) Committee meeting on Friday, September 12, 2014 at 8:30 a.m. in Room 203-R of the Milwaukee County Courthouse.

To ensure that all applicants have sufficient time to present their project to the Committee, we are requesting the applicants have only one representative make a presentation on the proposed project. The representative will be limited to **two minutes** for the presentation, followed by **one minute** for possible questions from the Committee members. No handouts will be allowed during the presentation. Committee members will have copies of the applications well in advance of the meeting.

No funding recommendations will be made at this meeting. Funding recommendations will be made at a special meeting of the ECD currently scheduled for September 22, 2014. For information regarding Milwaukee County meetings including agendas please reference the County web site at, <https://milwaukeecounty.legistar.com/Calendar.aspx>.

This year time slots will not be scheduled. Applicants will be called in alphabetical order. We strongly encourage you take the opportunity to present your project to the Milwaukee County Board of Supervisors.

If you have any questions, please contact me at 414-278-4880 or jean.wolfgang@milwaukeecountywi.gov.

Sincerely,

Jean Wolfgang
Housing Program Manager



Community Business Development Partners
MILWAUKEE COUNTY

RICK NORRIS, PE • Director, DBE Liaison Officer, ACDBE Liaison Officer

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INTER-OFFICE COMMUNICATION

DATE: August 20, 2014

TO: Supervisor Marina Dimitrijevic, Chair, Milwaukee County Board of Supervisors
Supervisor Patricia Jursik, Chair, Economic & Community Development Committee
Supervisor Michael Mayo, Sr., Chair, Transportation, Public Works & Transit Committee

FROM: Rick Norris, PE, Director, Community Business Development Partners

SUBJECT: **DBE Wavier Report for June 2014**

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 assignment of participation goals on, both, Federal and County funded contracts, as well as monitoring and enforcing compliance of these contracts. Participation goals may only be established on contracts where opportunities exist for ready, willing and able certified 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 (7) key objectives directed at creating a level playing field on which certified firms could compete fairly for USDOT-assisted contracts. This legislation, 49 CFR Parts 23 and 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 Executive and the full County Board, to establish and maintain a program based upon the Federal DBE Program rules and standards for all of its contracts. This action designed to ensure the same level of commitment and consistency in approach to the facilitation of small business involvement when and where appropriate has been enacted in Chapter 42 of the Milwaukee County Code of General Ordinances.

Milwaukee County is required to provide and establish contract opportunities for certified firms 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 through Wisconsin's Unified Certification Program (UCP), a consortium of over 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. Milwaukee County has the responsibility of verifying and maintaining the certification status of 356 of the 854 currently certified firms throughout the State, while processing all new applications for DBE certification.

WAIVER REQUESTS

When CBDP receives a waiver request from a department/division, staff thoroughly reviews it and available supporting documentation before rendering a 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 figures below include Professional & Management Service and Capital Improvement/Maintenance contracts awarded during June of 2014. This report does not include contracts awarded by the Procurement Division of the Department of Administrative Services processes under Chapter 32. Please see the attachment for waivers requested as broken out by owner department, contractor/consultant awarded, scope of services rendered, total contract amounts, and reason for approval.

| | |
|---|----------------------|
| Total Contracted Dollars for Period | \$ 10,244,969 |
| Total Contracted Dollars w/o DBE Participation | \$ 499,555 |
| Percentage of Contracts w/o DBE Participation | 4.88% |
| Total Contracted Dollars w/ Waiver Approval | \$ 46,503 |
| Percentage of Contracts w/ Waiver Approval | 13.62% |
| Total Contracted Dollars w/o Waiver Approval | \$ 0.00 |
| Percentage of Contracts w/o Waiver Approval | 0.0% |

It is also important to note that the Milwaukee County Code of General Ordinances exempts various contracts from DBE participation consideration review for services such as those used for the purpose of securing credit rating services related to debt issuance and administration. These exemptions appear as Chapter 56.30(2)(a) and 56.30(10)(a).

| | |
|--|----------------------|
| Total Contracted Dollars for Period | \$ 10,244,969 |
| Total Exempted Contract Dollars | \$ 453,052 |
| Percentage of Exempted Contracts for Period | 4.22% |

RECOMMENDATION

CBDP prepared this informational report, and recommends that it be received and filed, as such.

Approved by:



Rick Norris, PE
Director, CBDP

CC: Chris Abele, Milwaukee County Executive

Monthly Waiver Report for June 2014

Prepared by the Department of Community Business Development Partners

Director's Report

¹ These contracts are exempted from Disadvantaged Business Enterprise participation review within the guidelines of Code of General Ordinance Chapter 56.30(2)(a). Not included in the the waiver calculations.

² Waivers approved by CBDP; within guidelines of Code of General Ordinances

³ Contracts issued by Departments in violation of the Code of General Ordinances; CBDP is made aware of these projects when Accounts Payable forwards new contract information.

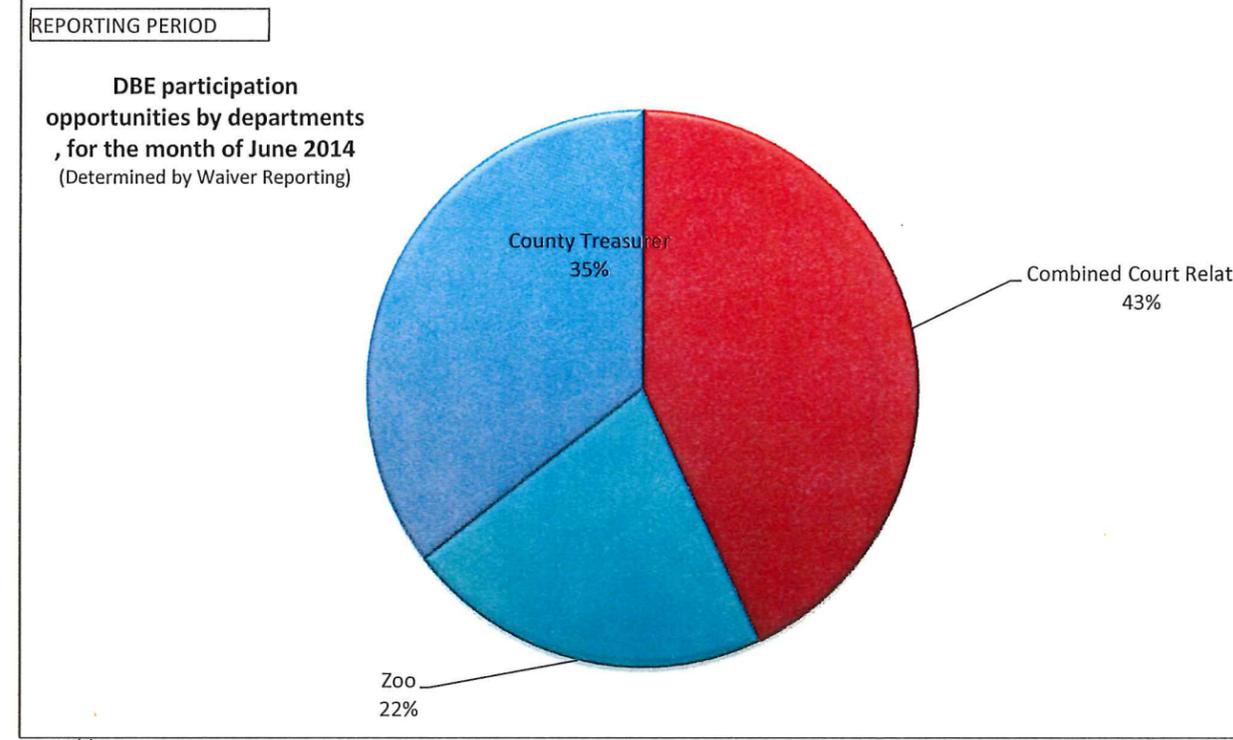
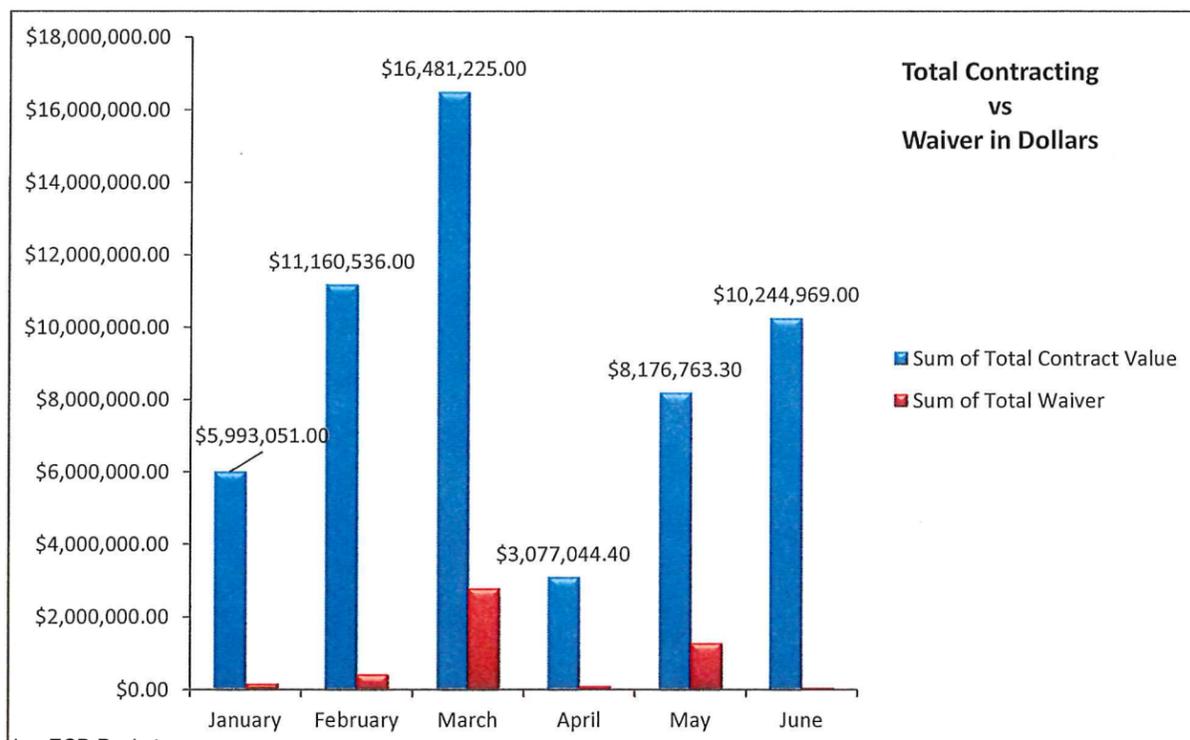
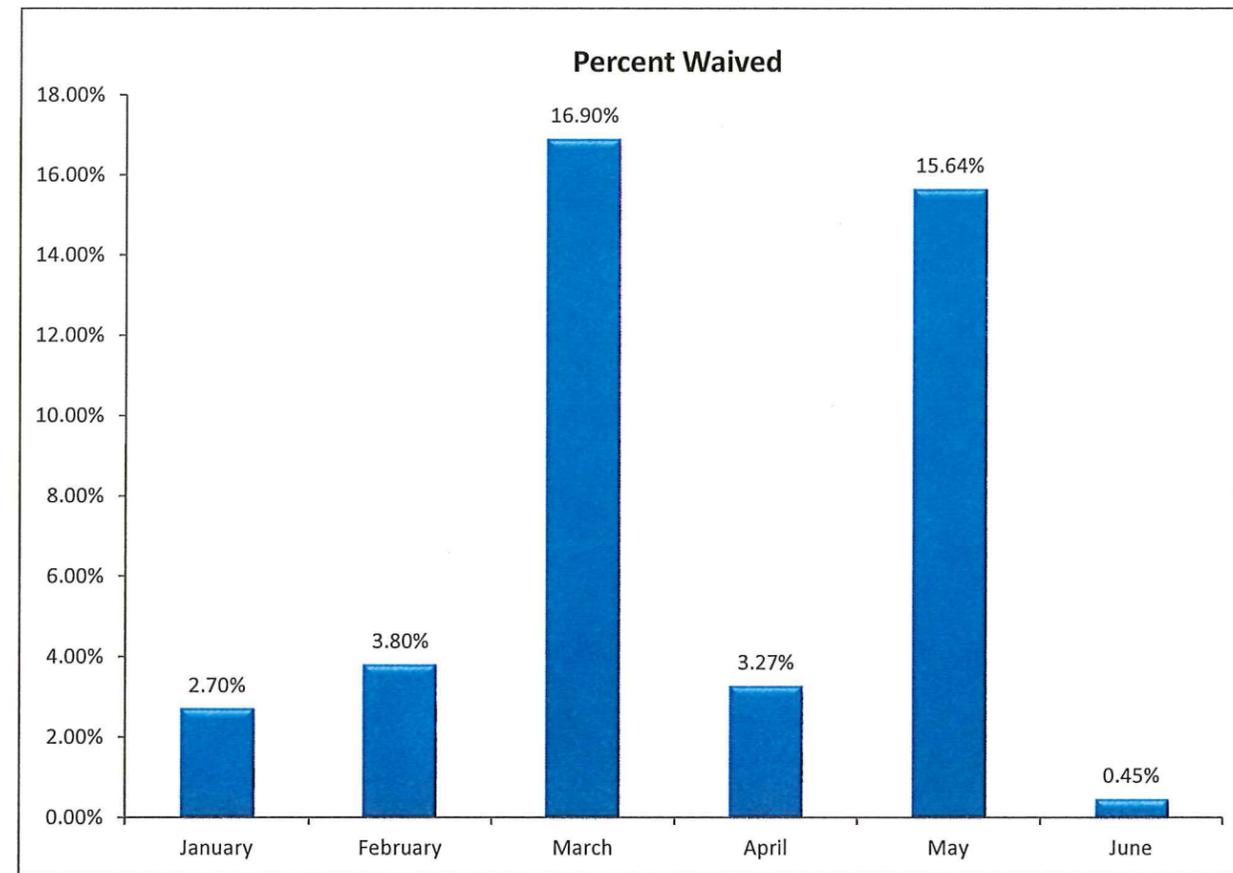
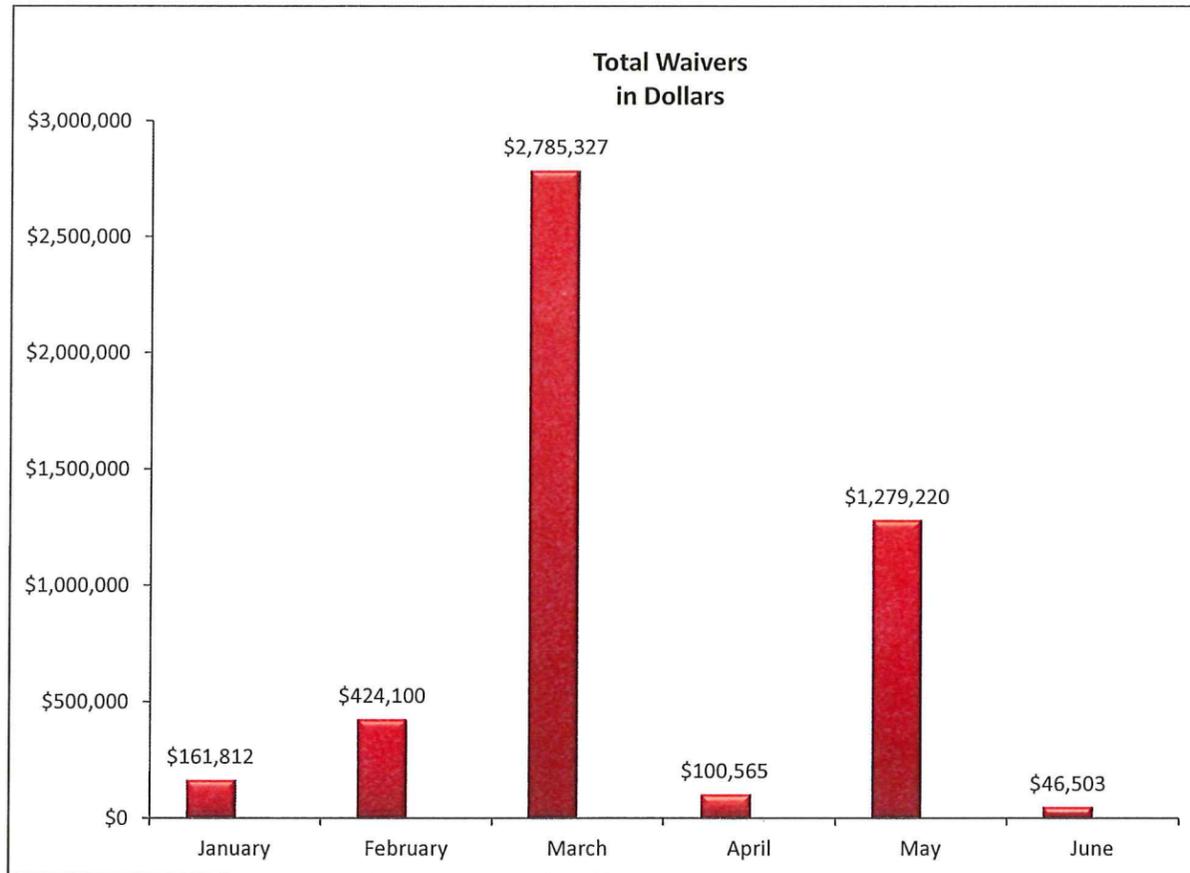
⁴ Total does not include Procurement Division Figures

| | |
|---|---------------|
| Total Contract \$ Amount for Period ⁴ | \$ 10,244,969 |
| Total Contract \$ Amount w/o DBE Participation for Period | \$ 499,555 |
| Percentage w/o DBE Participation | 4.88% |
| Total Approved Waiver \$ Amount ² | \$ 46,503 |
| Percentage Waived ² | 0.45% |
| Total Unapproved Waiver \$ Amount ³ | \$ - |
| Percentage w/o Waiver Approval ³ | 0.00% |
| Total Exempted \$ Amount | \$ 453,052 |
| Percentage Exempted from Waiver Calculations | 4.42% |

| | |
|-------------------------|-----------|
| REPORTING Ending PERIOD | June 2014 |
|-------------------------|-----------|

| DEPARTMENT | CONSULTANT/CONTRACTOR | SERVICES | COMMENTS | EXEMPTED | Waived |
|------------------------|--|---|--|----------------------|---------------------|
| Parks | Giles Engineering | Tennis Court Lighting Soil Borings | Only one DBE firm, requires at least two DBE firms | \$ 6,540.88 | |
| | Not awarded at this time | Grant Park Beach House Lift Station Haz Mat | Only one DBE firm, requires at least two DBE firms | \$ 500.00 | |
| Combined Court Related | Metro Milwaukee Foreclosure Mediation Services, Inc. | To prevent foreclosures & allow the homeowner to remain in their home | Specialized Service | \$ 169,828.00 | |
| | The Carey Group, Inc. | Consulting services to assist Fokus Family Services & MC Day Reporting Center | Specialized Service | | \$ 20,000.00 |
| DHHS | UMOS, Inc. | Case management AODA specialist | Specialized Service | \$ 50,000.00 | |
| | Northcott Neighborhood House, Inc. | Case management AODA specialist | Specialized Service | \$ 61,000.00 | |
| House of Correction | Milwaukee Area Technical College (MATC) | Learning Center | Specialized Service | \$ 109,683.00 | |
| Zoo | Schultz & Williams | To develop a Request for Proposal for Zoo's food catering and retail operations | Specialized Service | | \$ 10,000.00 |
| MCTS | Privostt, Muncie, Newflyer | Bus Bearings Bushings, & Seals | Only one DBE firm, requires at least two DBE firms | \$ 46,500.00 | |
| County Treasurer | Public Funds Consulting, LLC | Investment advisory services redistribution of \$503.00 of another advisor | Specialized Service | | \$ 16,503.00 |
| MCDOT | Not awarded at this time | CTH Y Pennsylvania & Whitnall Hazardous Material Assessment | Only one DBE firm, requires at least two DBE firms | \$ 9,000.00 | |
| Grand Total | | | | \$ 453,051.88 | \$ 46,503.00 |

DASHBOARD





Community Business Development Partners
MILWAUKEE COUNTY

RICK NORRIS, PE • Director, DBE Liaison Officer, ACDBE Liaison Officer

INTER-OFFICE COMMUNICATION

DATE: August 20, 2014

TO: Supervisor Marina Dimitrijevic, Chair, Milwaukee County Board of Supervisors
Supervisor Patricia Jursik, Chair, Economic & Community Development Committee
Supervisor Michael Mayo, Sr., Chair, Transportation, Public Works & Transit Committee

FROM: Rick Norris, PE, Director, Community Business Development Partners

SUBJECT: **DBE Wavier Report for July 2014**

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In 1999, the United States Department of Transportation (USDOT) implemented DBE Program rules with seven (7) key objectives directed at creating a level playing field on which certified firms could compete fairly for USDOT-assisted contracts. This legislation, 49 CFR Parts 23 and 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 Executive and the full County Board, to establish and maintain a program based upon the Federal DBE Program rules and standards for all of its contracts. This action designed to ensure the same level of commitment and consistency in approach to the facilitation of small business involvement when and where appropriate has been enacted in Chapter 42 of the Milwaukee County Code of General Ordinances.

Milwaukee County is required to provide and establish contract opportunities for certified firms 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 through Wisconsin's Unified Certification Program (UCP), a consortium of over 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. Milwaukee County has the responsibility of verifying and maintaining the certification status of 356 of the 854 currently certified firms throughout the State, while processing all new applications for DBE certification.

WAIVER REQUESTS

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| | |
|---|----------------------|
| Total Contracted Dollars for Period | \$ 12,608,128 |
| Total Contracted Dollars w/o DBE Participation | \$ 11,331,532 |
| Percentage of Contracts w/o DBE Participation | 89.87% |
| Total Contracted Dollars w/ Waiver Approval | \$ 11,058,413 |
| Percentage of Contracts w/ Waiver Approval | 87.71% |
| Total Contracted Dollars w/o Waiver Approval | \$ 222,588 |
| Percentage of Contracts w/o Waiver Approval | 1.77% |

It is also important to note that the Milwaukee County Code of General Ordinances exempts various contracts from DBE participation consideration review for services such as those used for the purpose of securing credit rating services related to debt issuance and administration. These exemptions appear as Chapter 56.30(2)(a) and 56.30(10)(a).

| | |
|--|----------------------|
| Total Contracted Dollars for Period | \$ 12,608,128 |
| Total Exempted Contract Dollars | \$ 50,531 |
| Percentage of Exempted Contracts for Period | 0.40% |

RECOMMENDATION

CBDP prepared this informational report, and recommends that it be received and filed, as such.

Approved by:



Rick Norris, PE
Director, CBDP

CC: Chris Abele, Milwaukee County Executive

Monthly Waiver Report for July 2014

Prepared by the Department of Community Business Development Partners

Director's Report

¹ These contracts are exempted from Disadvantaged Business Enterprise participation review within the guidelines of Code of General Ordinance Chapter 56.30(2)(a). Not included in the the waiver calculations.

² Waivers approved by CDBP; within guidelines of Code of General Ordinances

³ Contracts issued by Departments in violation of the Code of General Ordinances; CDBP is made aware of these projects when Accounts Payable forwards new contract information.

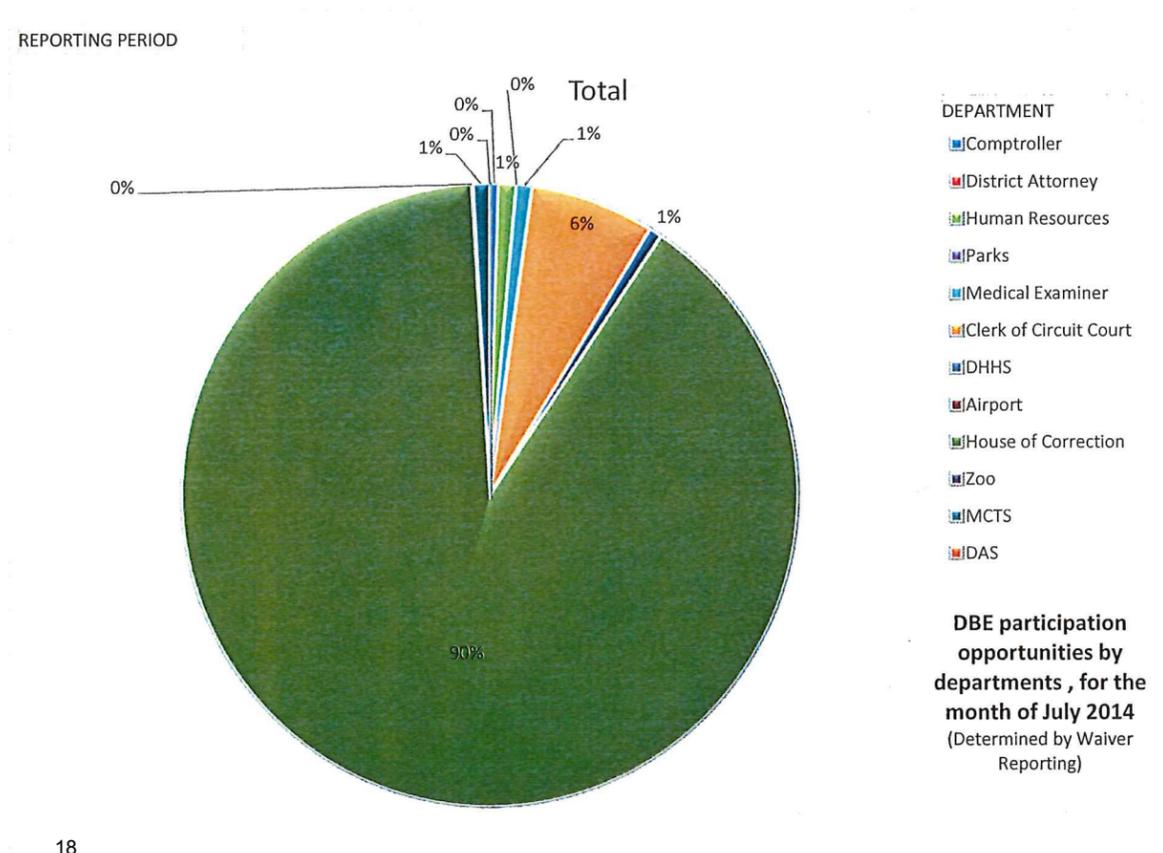
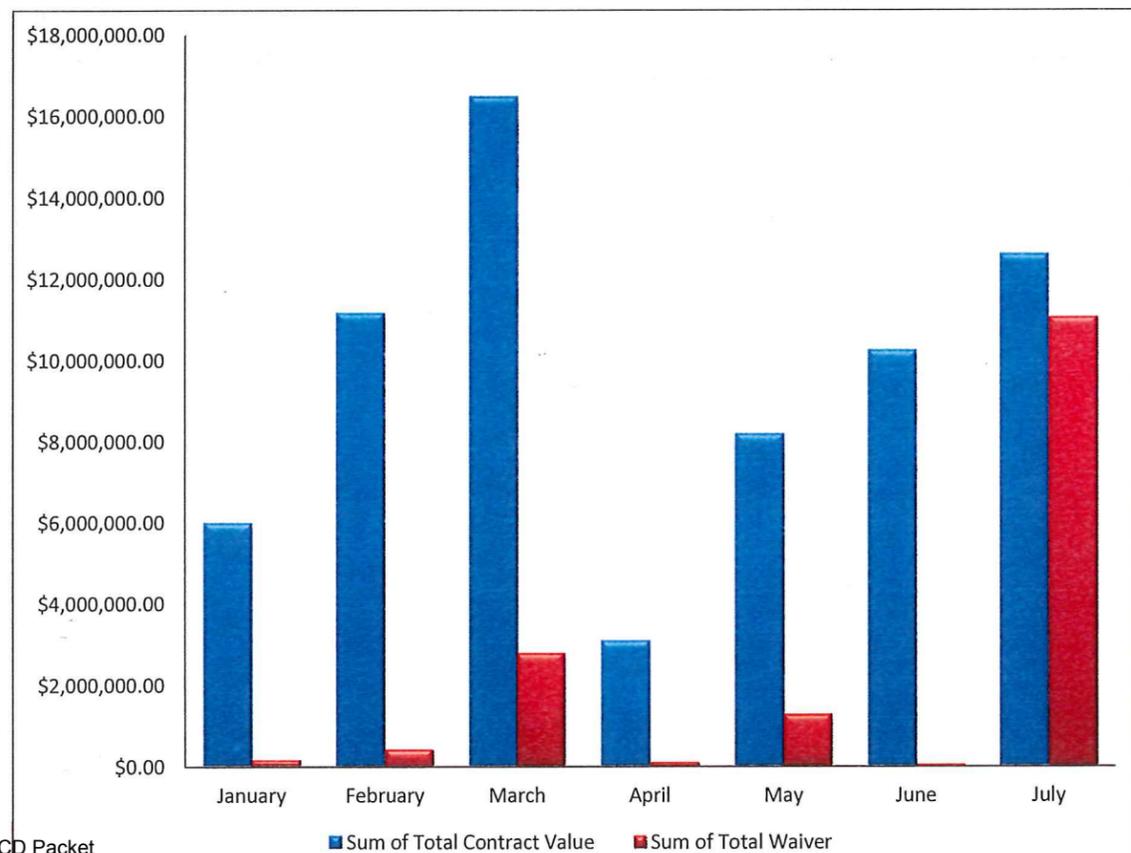
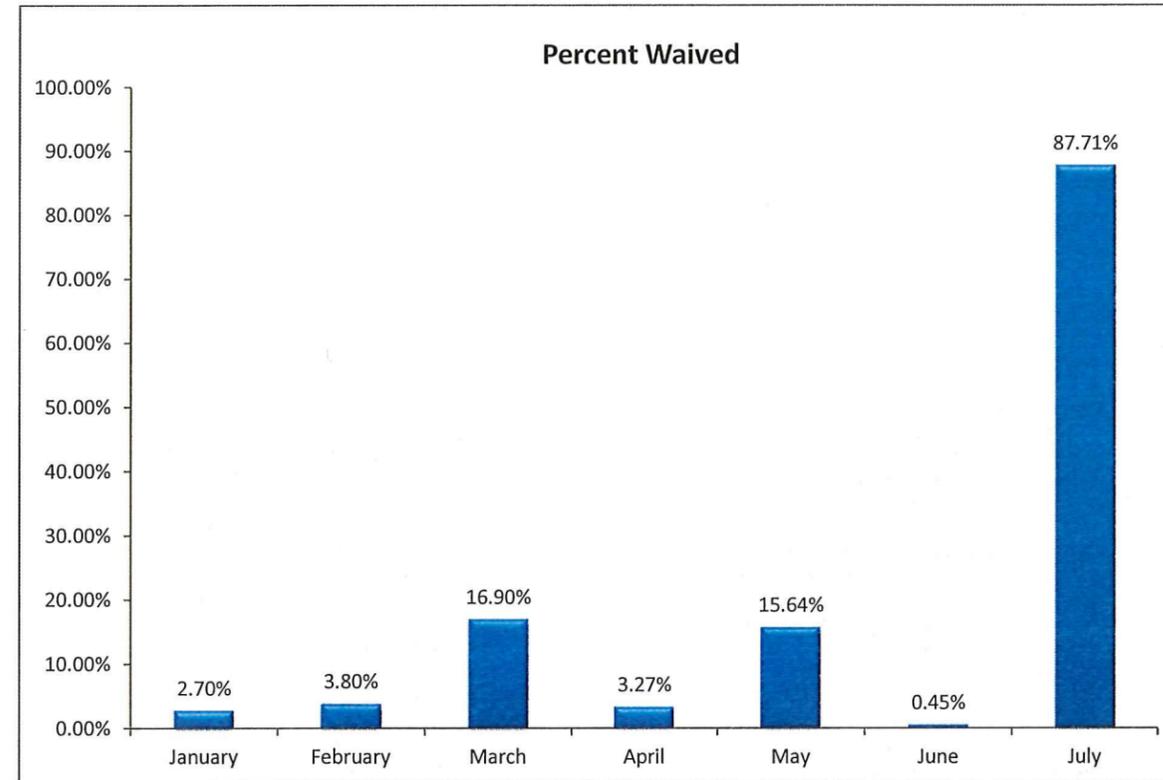
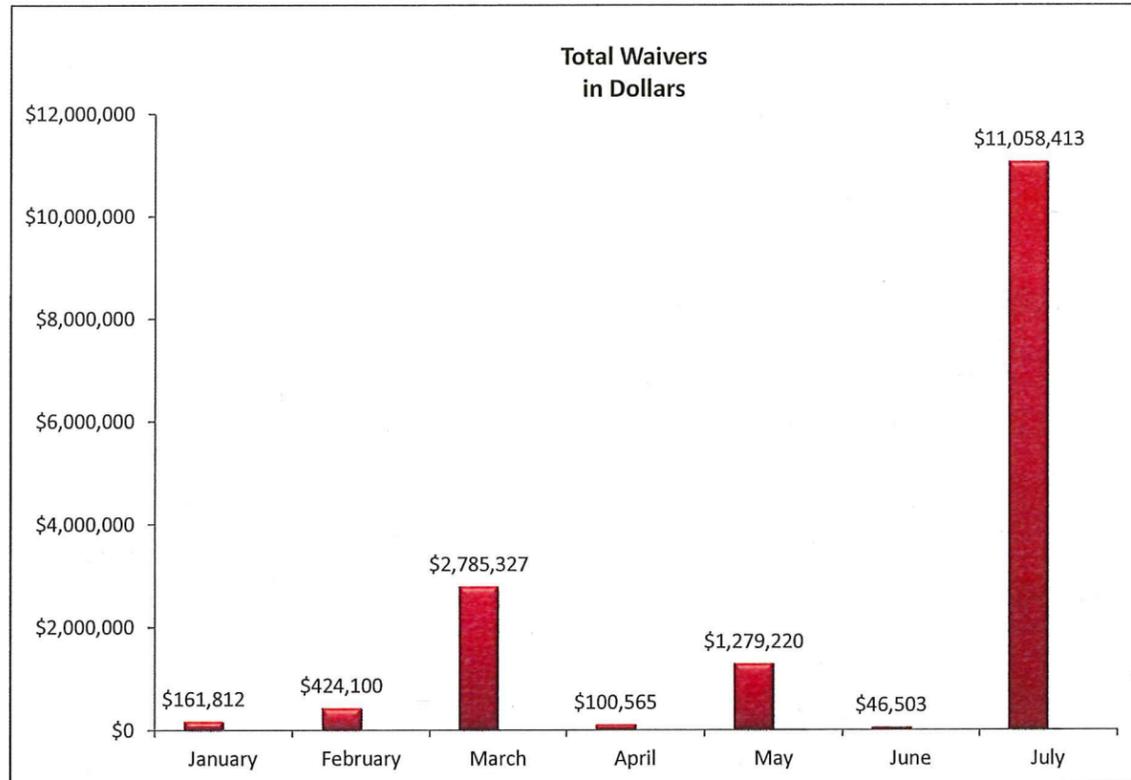
⁴ Total does not include Procurement Division Figures

| | | |
|---|----|------------|
| Total Contract \$ Amount for Period ⁴ | \$ | 12,608,128 |
| Total Contract \$ Amount w/o DBE Participation for Period | \$ | 11,331,532 |
| Percentage w/o DBE Participation | | 89.87% |
| Total Approved Waiver \$ Amount ² | \$ | 11,058,413 |
| Percentage Waived ² | | 87.71% |
| Total Unapproved Waiver \$ Amount ³ | \$ | 222,588 |
| Percentage w/o Waiver Approval ³ | | 1.77% |
| Total Exempted \$ Amount | \$ | 50,531 |
| Percentage Exempted from Waiver Calculations | | 0.40% |

| | |
|-------------------------|-----------|
| REPORTING Ending PERIOD | July 2014 |
|-------------------------|-----------|

| DEPARTMENT | CONSULTANT/CONTRACTOR | SERVICES | COMMENTS | EXEMPTED | Waived | Unapproved Waivers |
|------------------------|--|---|---|--------------|------------------|--------------------|
| Comptroller | US Bank | Administration fees for the 2005A&B, 2006A&B, 2007A, 2009A airport revenue bonds | Exempted | \$ 4,500.00 | | |
| | Quarles & Brady, LLP | In connection with advice regarding the IRS examination of series 2005A airport revenue bonds | Specialized Service | \$ 3,031.25 | | |
| District Attorney | Kirchner Computer Consulting Inc. | To act as project manager to ensure successful planning and execution to upgrade the County's time and attendance service | Specialized Service | \$ - | \$ 49,600.00 | |
| | | To evaluate Malcolm Jamal Wright in court case number 13CF005604 | Specialized Service | \$ 1,000.00 | | |
| Human Resources | Chuck Schumacher | To conduct discharge and/or discipline hearings per the Civil Service Commission | Specialized Service | \$ 3,000.00 | | |
| | Omar Sultan Mallick Attorney | To conduct discharge and/or discipline hearings per the Civil Service Commission | Specialized Service | \$ 3,000.00 | | |
| Parks | KSA | PST will serve as an search firm for high level positions that's hard to fill in MC | Specialized Service | | \$ 99,999.00 | |
| | | Grant Park Beach House Lift Station Review Design Plans | Under \$10K | | \$ 5,000.00 | |
| Medical Examiner | Medical College of WI Affiliated Hospitals | Forensic Pathology Fellowship Program | Specialized Service | | \$ 88,000.00 | |
| Clerk of Circuit Court | Wisconsin Department of Children & Families | Permanency plan review | Specialized Service | | \$ 722,994.00 | |
| DHHS | Center for Communication, Hearing & Deafness | The B-3 program is a federally mandated program to support families of children with delays or disabilities | Not Reviewed by CDBP | \$ - | | \$91,588.00 |
| | Adolescence Mentoring Educational Network, LLC | To provide services to support a community-based, volunteer mentoring program | Specialized Service | \$ 36,000.00 | | |
| | Silver Spring Neighborhood Center, Inc. | Case management AODA specialist | Not Reviewed by CDBP | \$ - | | \$61,000.00 |
| | Meta House | Case management AODA specialist | Not Reviewed by CDBP | \$ - | | \$65,000.00 |
| Airport | Midland Video Productions, Inc. | Specialized training videos | Specialized Service | | \$ 75,000.00 | |
| | | Review case of Robin Darden v. GMIA | Not Reviewed by CDBP | \$ - | | \$5,000.00 |
| House of Correction | Armor Correctional Health Services, Inc. | Court ordered contract to provide medical services to inmate at County Jail and HOC | May 2013 Court Order, Staffing | \$ - | \$ 9,909,320.00 | |
| Zoo | Schultz & Williams | To assist the Zoo in developing a request for proposal for the Zoo's food catering and retail operations | Specialized Service | | \$ 10,000.00 | |
| MCTS | Not awarded, Bids due 8/28 | Diesel Particulate Cleaning Equipment | Only one DBE, requires at least two DBE firms | | \$ 95,000.00 | |
| DAS | Grumman-Butkus | Lapham Remodel Arc Flash Study | Specialized Service | | \$ 3,500.00 | |
| Grand Total | | | | \$ 50,531.25 | \$ 11,058,413.00 | \$222,588.00 |

DASHBOARD



COUNTY OF MILWAUKEE
Interoffice Memorandum

DATE: August 22, 2014

TO: Marina Dimitrijevic, Chairperson, Milwaukee County Board of Supervisors
 Milwaukee County Board of Supervisors

FROM: O'Donnell Park Workgroup

SUBJECT: Report on the Fiscal Analysis Regarding the Disposition of the O'Donnell Park Facility

Request

The 2014 Adopted Budget established the O'Donnell Parking Structure Workgroup ("Workgroup") to "perform a cost-benefit analysis of the O'Donnell Parking structure to help policymakers determine a prudent course of action on the future of the facility." The Office of the Comptroller, working in conjunction with staff from the Department of Administrative Services, Parks Department and Corporation Counsel was charged with updating parking demand estimates, assessing potential deed and zoning restrictions and reviewing the appraised value of the O'Donnell Parking facility.

Current Northwestern Mutual Offer to Purchase

The Director of Economic and Community Development is working with Northwestern Mutual ("NM") on an agreement to purchase the O'Donnell Park facility that was presented to the County Board in July 2014 as an informational report (File No. 14-610). The Workgroup's report, while developed concurrently to the NM purchase proposal, is likely to provide information that will be helpful to policymakers in determining the future of the O'Donnell Park facility, but is not intended to be a complete analysis of the NM purchase agreement. Per the proposed agreement, NM is willing to pay the \$14 million appraised value for the O'Donnell Park facility with a "credit" of approximately \$1.3 million for needed repairs to the membrane between the roof and plaza. Further, NM would invest in a refurbishment of portions of the park plaza located on top of the parking facility, make enhancements within the parking garage and continue to operate it in a manner that would allow public access and enjoyment for at least the useful life of the facility. Finally, the sale of the facility to NM would be contingent upon the City of Milwaukee removing the deed restriction to permit the sale to a private entity. Further information about the proposed sale of the O'Donnell Park facility to NM can be found in the County Legislative Information Center (CLIC) attached to File 14-610.¹

¹ The contents of File 14-610 can be found in CLIC at: www.milwaukeecounty.legistar.com

Executive Summary

This report provides financial and related information to aid policymakers in their understanding of the net value of the facility by illuminating the current costs and revenues as well as future investment required in the operation of the facility. The Workgroup examined three alternatives: 1) sell the O’Donnell Park facility, 2) retain the facility and rebuild the structure around the year 2035, and 3) retain the facility and demolish the parking structure at the end of its useful life but retain the plaza and maintain the site as a park. The net present values of each of these alternatives are shown below in Table 1 and further analyzed in later sections of the report.

Table 1: Net Present Value of Three Alternatives

| | SALE | COUNTY OWNED BUILD NEW | COUNTY OWNED DEMO |
|-----------------------|--------------------|---------------------------|----------------------|
| Sale Price | \$14,000,000 | N/A | N/A |
| Offset for Repair | (\$1,300,000) | N/A | N/A |
| Net Income | \$12,700,000 | N/A | N/A |
| Debt Payoff & Expense | (\$7,700,000) | N/A | N/A |
| Revenue | N/A | \$39,616,473 | \$28,422,004 |
| Expenses | N/A | (\$18,675,454) | (\$13,634,176) |
| Old Debt | N/A | (\$6,911,346) | (\$6,911,346) |
| New Debt | N/A | (\$27,389,350) | (\$5,398,831) |
| Net Funds | \$5,000,000 | (\$13,359,677) | \$2,477,650 |

Public parks are “valued” based on many non-financial factors, but O’Donnell Park is a unique asset within the County park system in that it includes a parking facility with a roof-top park. The facility could require a significant public investment to rebuild or demolish the parking facility resulting in the diversion of resources that could be used to maintain other parks in the system. The structure, in its current state, is profitable and even demonstrates the potential for a continuing profit in the near future, but major capital investment is inevitable and would erode and potentially erase the profit being generated currently. Yet, this financial argument may not be the only consideration for those who view O’Donnell Park as an integral corridor to Milwaukee’s lakefront amenities. Viewed in this manner, the retention of the O’Donnell Park facility may justify the County’s stewardship and inevitable investment of \$57 to \$76 million to replace the facility or \$7 to \$12 million to demolish and potentially repurpose the facility around the year 2037.

ALTERNATIVE 1 - SALE OF O'DONNELL PARK

Table 2: Net Present Value of Sale of O'Donnell Park Facility

| COUNTY SALE NET PRESENT VALUE | |
|----------------------------------|--------------------|
| Sale Price | \$14,000,000 |
| Offset for Repair | (\$1,300,000) |
| Net Income | \$12,700,000 |
| Debt Payoff | (\$7,700,000) |
| Net Funds | \$5,000,000 |

The Workgroup found that Alternative 1, selling the O'Donnell Park facility to NM under the proposed sale terms outlined in File No. 14-610, to be the most fiscally advantageous option to the County based on a net present value analysis of three potential options. The major components of Alternative 1 are summarized below and include an opinion on the reasonableness of the data reviewed.

Appraised Valuation

The Nicholson Group (TNG) appraised the O'Donnell Park facility for \$14 million in May 2013. There are three traditional methodologies for conducting a real property appraisal: cost approach, sales comparison approach, and income capitalization approach. TNG utilized the income capitalization approach, which estimates the value of a property by forecasting the income and expenses of the O'Donnell Park facility using historical operating data and current market trends, and calculating capitalization rates from the market. The largest revenue generator for the facility is the parking garage, with 1,332 total parking spots. Historical financial statements were used by the appraiser to project a net income value for the facility. Historical financials are attached as Attachment A. This method does not take into account the appraised value of similar properties or the cost of building a new, similar parking structure.

The Workgroup reviewed the appraisal and concluded that the valuation of \$12.7 million was reasonable given the factors that were used to calculate the estimate. The income capitalization methodology is an appropriate approach because the property, due to the current deed restriction and zoning as Parks and Recreation, cannot be sold for private development without the approval of the City of Milwaukee.

O'Donnell Park Facility Outstanding Repairs

The O'Donnell Park facility requires immediate repair to improve the plaza's waterproofing and drainage system. The County and NM independently retained consultants to estimate the extent and cost of O'Donnell's repair. The reports are summarized below.

Graef Report

In January 2012, Graef-USA Inc. submitted an estimate for repair to the parking structure's roof to the County. The consultants found the parking structure to be in generally good condition with

a usable service life of at least 25 years (until 2037) if the roof repairs were made. Graef estimated that approximately \$1 million was needed to replace portions of the rubber membrane between the plaza and the ceiling of the parking ramp to prevent leaks in an area that surrounds the pavilion. The total cost is \$1.3 million including an overhead fee of 20 percent for County Architectural and Engineering staff time.

Walker Report

NM received a repair estimate from Walker Restoration Consultants in March 2012. Walker identified similar repair needs as Graef, but estimated costs at approximately \$6.6 million, including \$4.5 million for repairs to the membrane between the parking structure roof and the public plaza. The Walker report recommended waterproofing repairs to a larger physical area around the pavilion and other security enhancements to the parking structure which accounts for the cost difference.

The Workgroup reviewed the repair estimates and found that NM is prepared to make more comprehensive repairs to the O'Donnell Park facility plaza that is likely to help improve the life of the structure.

County Debt Service

The County has issued debt over the years to construct and, more recently, to repair the O'Donnell Park facility. In addition, the County entered into a Master Capital Lease Agreement (Master Lease) with Chase Equipment Leasing, Inc. to finance lighting improvements in 2007. The estimated outstanding general obligation debt for the structure is \$6.5 million and the estimated lease payment is \$127,000 for a total of \$6.6 million. These amounts do not include the interest that would be paid at the time of redemption, defeasance or prepayment. Table 3 below illustrates the annualized debt service for O'Donnell Park until 2026.

Table 3: O'Donnell Park Debt Service Schedule

| YEAR | PRINCIPAL | INTEREST | TOTAL DEBT SERVICE |
|--------------|--------------------|--------------------|--------------------|
| 2015 | \$536,687 | \$295,466 | \$832,153 |
| 2016 | \$584,422 | \$277,582 | \$862,004 |
| 2017 | \$584,870 | \$257,311 | \$842,181 |
| 2018 | \$514,092 | \$234,940 | \$749,032 |
| 2019 | \$396,898 | \$214,177 | \$611,075 |
| 2020 | \$388,329 | \$197,187 | \$585,516 |
| 2021 | \$589,727 | \$179,725 | \$769,452 |
| 2022 | \$612,583 | \$152,557 | \$765,140 |
| 2023 | \$622,900 | \$123,414 | \$746,314 |
| 2024 | \$647,917 | \$92,838 | \$740,755 |
| 2025 | \$648,055 | \$59,954 | \$708,009 |
| 2026 | \$476,882 | \$26,229 | \$503,111 |
| Total | \$6,603,363 | \$2,111,380 | \$8,714,743 |

*The County has paid the interest due for 2014 and is scheduled to pay the 2014 principal payment in December 2014.

Defeating Outstanding County Debt

Both the Master Lease and the General Obligation Debt are a part of larger debt obligations that are tax-advantaged or tax-exempt obligations. To maintain the tax-advantaged status of the larger debt obligations, the County will have to redeem or defease all of the outstanding general obligation debt associated with the O'Donnell Park facility within 90 days of the executed purchase agreement with NM. This action is necessary to comply with the remedial action rules under Section 1.141-12 of the Treasury Regulations (the "Remedial Action Rules"). The basis of the Remedial Action Rules is that tax-exempt debt cannot be used for private purposes or private ownership. The "defeasance" would create a need to set aside funds with a trustee to provide enough funds to pay the interest and principal on the debt to the call date for the bonds. The call dates in some cases are three years from an estimated sale closing date of 2015. Table 4 below illustrates the cost of debt defeasance for the County.

The current proposal would use a portion of the proceeds of the sale of the O'Donnell Park facility to redeem or defease the outstanding general obligation debt and prepay the lease payments relating to the structure. Chase Equipment Leasing, Inc. has indicated that the County could prepay the lease, although whether and on what terms a partial prepayment would be permitted must still be negotiated. The Office of the Comptroller is working out the details with Chase and Bond Counsel to determine the steps that would be necessary to accomplish the prepayment.

Table 4: Payoff Charges based on 2015 as the Year of Finalization of Agreement

| Payoff of Debt | |
|---------------------------------------|--------------------|
| Outstanding GO Debt | \$6,476,000 |
| Outstanding Lease Debt | \$127,000 |
| Interest Owed Until Debt Call Date | \$1,097,000 |
| Total | \$7,700,000 |

*These figures are estimates. The final payment will depend on the actual date and when principal payments occur.

Furthermore, the defeasance of the O'Donnell Park Facility debt could reduce the state-imposed County tax levy limit amount. The County tax levy limit calculation allows for the year over year change for debt service costs. Viewed in isolation of any changes in the components of the County tax levy limit calculation, if debt decreases the County tax levy limit will also decrease. The impact could be mitigated by an increase in other factors such as net new construction or the use of tax levy exemptions. The underlying assumption made in this analysis is that if the County defeases the debt on the O'Donnell Park facility, policymakers would utilize exemptions under the County tax levy limit to maintain the current total tax levy.

The Office of the Comptroller has reviewed the ability of the County to "defease" outstanding debt on the proposed sale of the O'Donnell Park facility to NM and concluded that the County could meet all of the requirements to do so and thus keep the larger debt obligations tax exempt.

Deed Restrictions

The parcel encompassing the O'Donnell Park facility has been subject to a significant number of deeds and easements. This information has been provided to the County Board as attachments to File No. 14-610 (Exhibits L-N) and reviewed by the Workgroup.

If the County agrees to the sale agreement of the O'Donnell Park facility, NM will have a six to eight-month period to complete all due diligence necessary for the facility's acquisition. The County will be responsible for the operation of the facility during this time and would issue the deed at the end of the due diligence period if NM remains interested in the purchase. The County will receive payment of \$12.7 million when it issues the deed to NM.

City Zoning

The O'Donnell Park facility is zoned by the City of Milwaukee as a Parks District and is included in the Lakefront Overlay Zone. The City of Milwaukee's code of ordinances outlines the restrictions for types of structures and services that can be provided on parkland and in the overlay zone. The owner of the O'Donnell Park facility may apply to amend the zoning map to change their property's zoning designation or request special permits for certain structures or activities on the property. If the owner seeks to amend the property's zoning designation, the amendment can be challenged by property owners of 20 percent or more of the land immediately adjacent to the subject property. If a challenge is submitted, the zoning amendment must have a favorable vote of three-fourths of the voting members of Milwaukee's Common Council. Milwaukee County currently owns more than 20 percent of the adjacent land, thus giving County officials the option to challenge any proposed future zoning changes to the O'Donnell Park facility property.

The Workgroup reviewed the deed restrictions and current zoning and concluded that the sale of the O'Donnell facility to NM could be effectuated if the City of Milwaukee grants the necessary approvals. Moreover, the zoning of the land could not be changed over the objection of the County without a three-fourths majority approval of the City of Milwaukee Common Council. As stated earlier, the appraisal methodology recognized that the County could not sell the land for development without the approval of the City of Milwaukee. Policymakers should be aware that if the County's ability to sell the facility to a private entity is legally challenged it may delay the final closing and payment. Until the sale is finalized, the County will be responsible for ongoing operation and maintenance of the O'Donnell Park Facility and for payment on the associated debt service.

Parking Demand Study

The Workgroup was tasked with commissioning an updated parking demand study “that reflects current and future demand for public parking in the vicinity in light of anticipated nearby development and changes in parking availability due to the I-794 ramp reconstruction.” The Workgroup retained one of the authors from a 2010 downtown parking study commissioned by the City of Milwaukee. The Workgroup requested updated information for the specific parking district (District D) that includes the O’Donnell Park facility because the original study did not predict the new development projects at 833 E. Michigan, 827 E. Clybourn and the redevelopment of the Downtown Transit Center.

The updated parking study provided three scenarios for potential parking demand post-2017 illustrated in Table 5. Scenario 1 is based on a model that *estimated* future parking demand, Scenario 2 extrapolates on *actual* parking data from District D, and Scenario 3 uses data from Scenario 2 but assumes the complete demolition of the nearby “Lake Lot” (a surface parking lot under the I-794 ramps that will be impacted by the interstate’s reconstruction and reconfiguration). Even the most conservative scenario predicts that parking demand in District D will exceed its supply by 2017.² The O’Donnell Park facility is already experiencing a rise in demand due, in part, to I-794 reconstruction and the related partial closure of the Lake Lot. There was a 46 percent increase in monthly contracts between July 2013 and July 2014, and the number of monthly contracts has seen positive growth for the past 13 months.

Table 5: Post-2017 O’Donnell Area Parking Occupancy Rate

| | Demand | Spaces | Occupancy Rate³ |
|------------|---------------|---------------|-----------------------------------|
| Scenario 1 | 7,356 | 7,618 | 97% |
| Scenario 2 | 8,461 | 7,618 | 111% |
| Scenario 3 | 9,875 | 7,618 | 130% |

The Workgroup reviewed the parking demand study and concluded that the demand for parking in the O’Donnell Park area is likely to increase, especially after 2017, which will likely maintain and potentially increase demand. Future increases in parking demand may also warrant higher parking rates. The parking demand provided a reasonable basis for the appraisal and future revenue projections.

ALTERNATIVE 2 - RETAIN O’DONNELL PARK AND FUTURE RECONSTRUCTION

Rebuilding

Staff from the Architecture, Engineering and Environmental Services Section (“AE&ES”) provided two methods to estimate the cost to rebuild the O’Donnell Park facility as it currently stands.

² An 85 percent occupancy rate is the industry’s standard for determining if a parking structure is at capacity. This rate is considered full capacity because at 85 percent it becomes difficult for arriving parkers to find the few empty spaces.

³ Occupancy rate is the percentage of demand for parking spaces compared to existing parking spaces.

- **\$68 million.** This method uses the 1995 construction cost (\$36 million) as its base and increased the amount to account for the time since O'Donnell's construction using an index provided by RS Means Construction and the Engineering News Record. The historical cost index of 1.9 percent indicates that the cost to construct a building now compared to 1995 has increased approximately 90 percent.
- **\$50 million.** This method uses the replacement cost of O'Donnell utilizing square foot costs. This method multiplies the number of stalls in O'Donnell's parking structure by the recommended number of square feet per stall. The square feet estimate is then multiplied by the estimated parking deck cost per square foot from RS Means Construction. The method also estimates the square footage of the plaza deck and the cost per square foot. The combined costs of square footage for the parking structure and plaza result in an overall cost of \$50 million to replace the O'Donnell Park facility.

| | |
|---|---------------------|
| Parking Decks (1332 vehicles x 325 s.f./each) | 432,900 s.f. |
| Estimated Parking Deck Cost per s.f. | x \$64.30/s.f. |
| Parking Deck Estimated Cost | \$27,835,470 |
| Plaza Deck | 203,250 s.f. |
| Estimated Plaza Deck Cost per s.f. | x \$110.00/s.f. |
| Plaza Deck Estimated Cost | \$22,357,500 |
| Total Parking Structure Cost | \$50,192,970 |

Therefore, based on the estimates provided, the total cost of demolishing and rebuilding a structure similar to O'Donnell is estimated to range from \$57 to \$76 million in 2014 dollars.

Table 6: Net Present Value of County Ownership and Rebuilding New

| COUNTY OWNED (REBUILD NEW) | | |
|----------------------------|-----------------------|-----------------------|
| | NET PRESENT VALUE | CASH FLOW |
| | 2014-2055 | 2014-2055 |
| Revenue | \$39,616,000 | \$108,308,000 |
| Expenses | (\$18,675,000) | (\$50,478,000) |
| Old Debt | (\$6,911,000) | (\$9,443,000) |
| New Debt | (\$27,389,000) | (\$117,762,000) |
| Net Funds | (\$13,359,000) | (\$69,375,000) |

The Workgroup reviewed the estimates provided by County engineering staff and found the cost to replace the facility in its current form to be \$57 to \$76 million based on the engineering complexity that the plaza deck requires. Future parking and building lease revenues will not cover the additional cost to rebuild the facility in its present form. As shown in Table 6 above, the cost of the rebuild in today's dollars would be a loss of \$13.3 million. Of the three alternatives examined, retaining the O'Donnell Park facility and reconstructing a similar structure at the end of its useful life is the most costly to the County.

ALTERNATIVE 3 - RETAIN O'DONNELL PARK AND FUTURE DEMOLITION

One option that the Workgroup considered would be to retain the O'Donnell Park facility and at the end of its useful life demolish the parking structure, leave the pavilion in place, adjust the access to the art museum and redevelop the site as a park. As stated earlier, the cost to demolish the facility and maintain it as a park is approximately \$11 to \$12 million. The net present value for this option is approximately \$2.5 million as shown in Table 7 below.

Table 7: Net Present Value of County Ownership and Demolition/Retain Park

| | NET PRESENT VALUE 2014-2055 | CASH FLOW 2014-2055 |
|------------------|--------------------------------|------------------------|
| Revenue | \$28,422,004 | \$51,260,564 |
| Expenses | (\$13,634,176) | (\$24,788,479) |
| Old Debt | (\$6,911,346) | (\$9,443,153) |
| <u>New Debt</u> | <u>(\$5,398,831)</u> | <u>(\$20,152,087)</u> |
| Net Funds | \$2,477,650 | (\$3,123,155) |

The Workgroup acknowledges that while this alternative may yield a “positive” net present value, it does not address the needs that may exist for parking when the life of the current facility is over. Moreover, the decision on whether to rebuild the parking structure at the end of its useful life is best made when that time is approaching, not more than 20 years away. It should be noted that the Workgroup did not commission any drawings as to what this option may look like, but rather focused on the option simply as an economic alternative.

Demolition Costs

AE&ES staff also provided the Workgroup with two preliminary estimates for demolition costs.

- **\$7 to \$8 million** to demolish the entire structure, pavilion, and pedestrian bridge to the transit building while making adjustments for the art museum’s bridge and the retaining wall.
- **\$11 to \$12 million** to demolish the parking structure, leave the pavilion in place, adjust the access to the art museum and redevelop the site as a park.

O'Donnell Park Operating Budget

Table 8 below illustrates the historical net income generated by the O'Donnell Park facility and predicted net income for three years into the future. Table 8 excludes 2010 and 2011 because the facility was closed for many months in both years due to a fatal accident in June 2010 which forced the immediate closure of the parking structure and subsequent assessment and repair. The outstanding debt rises in 2014 due to the amortization schedule of the repairs made to the facility after the accident.

Table 8: O'Donnell Park Revenue and Expenses 2012-2013 Actual and 2014 Projected

| | 2012 | 2013 | 2014 |
|-------------------|------------------|------------------|------------------|
| Revenue | \$1,600,167 | \$1,631,116 | \$1,871,800 |
| Expenses | (\$713,026) | (\$653,427) | (\$707,876) |
| Major Maintenance | - | - | - |
| Debt | (\$633,421) | (\$711,864) | (\$728,408) |
| Total | \$253,720 | \$265,825 | \$435,516 |

Table 9 below illustrates the projected net income that will be generated by the O'Donnell Park facility for 2015 through 2017.

Table 9: O'Donnell Park Revenue and Expenses 2015-2017 Projected

| | 2015 | 2016 | 2017 |
|-------------------|------------------|------------------|--------------------|
| Revenue | \$1,894,250 | \$1,927,890 | \$1,962,610 |
| Expenses | (\$760,860) | (\$776,080) | (\$791,600) |
| Major Maintenance | \$0 | \$0 | (\$301,000) |
| New Debt | (\$168,356) | (\$168,356) | (\$168,356) |
| Debt | (\$832,153) | (\$862,004) | (\$842,181) |
| Total | \$132,881 | \$121,450 | (\$140,527) |

- * New debt represents the ten-year payback of \$1.3 million needed in repairs for the park plaza roof membrane if the County were to continue to own the facility.
- * Periodic major maintenance is projected for the O'Donnell facility, including \$301,000 in 2017, \$259,000 in 2020, \$325,000 in 2021, \$163,000 in 2023, \$301,000 in 2029, \$259,000 in 2032, \$325,000 in 2033 and \$163,000 in 2035. These operating budget expenditures are embedded in the overall fiscal analysis outlined in this report.

The facility generated approximately \$1.6 million in revenue in 2013. Revenue is expected to increase for 2014 to \$1.8 million with the return of additional monthly contract parkers. If the current parking numbers hold, the facility will net approximately \$435,000 after making the debt service payments and paying annual facility expenses. The net income will decrease over the next few years, however, if the County maintains ownership because of new debt required for repairs to the parking structure roof. In 2017, it is projected that the facility will cost the County approximately \$140,000 primarily due to periodic major maintenance that must be performed to maximize the useful life of the structure. It should be noted that the facility operating costs and all parking revenues are budgeted in the Department of Parks and the annual debt service obligations on capital improvements are in the General County Debt Service budget. The Parks operating budget includes approximately \$707,000 in expenses to operate the O'Donnell Park facility and the greatest portion of this cost, or \$321,000, is for utilities.

The Workgroup concluded that the most expensive alternative for the County would be to retain the O'Donnell Park facility and reconstruct the structure in its present form at the end of its useful life, estimated to be around the year 2035. In 2014 dollars, the cost to rebuild the facility ranges from \$57 to \$76 million. The O'Donnell Park facility is currently generating positive net income to the County, but the amounts will be reduced or eliminated in future years by debt service payments and major maintenance costs.

Leasing Options

In response to inquiries about the ability of the County to lease the O'Donnell Park facility to NM or another entity, the Comptroller has engaged outside bond counsel as to the conditions that would first have to be met. In short, the County would not be able to lease the facility without first defeasing the outstanding debt on the facility, or the portions that were to be leased. Moreover, if the County wishes to lease the O'Donnell Park facility, it may require the removal of deed restrictions by the City of Milwaukee.

Maintaining County ownership of property and leasing the facility would be problematic since the outstanding debt would need to first be defeased, requiring a significant source of funds that annual lease payments are unlikely to provide.

Summary

The Workgroup was tasked with helping policymakers determine a prudent course of action on the future of the O'Donnell Park facility. After extensive analysis of the current and future costs and revenues related to the structure, the Workgroup determined the purchase offer from NM to be financially the most advantageous in the long run when compared to two other presented alternatives in which the County would retain the facility. Yet, the O'Donnell Park facility is a key access point to Milwaukee's lakefront amenities and policymakers will need to weigh the financial costs against the intrinsic benefits of public ownership.

ATTACHMENT A: Net Income of O'Donnell Park Facility (2008-2014)

ATTACHMENT B: Projected Net Income of O'Donnell Park Facility (2015-2021)

cc: County Executive Chris Abele

O'Donnell Workgroup Members

- Scott Manske, County Comptroller
- John Dargle, Director, Parks Department
- Paul Bargren, Corporation Counsel
- Teig Whaley-Smith, Director, DAS-Economic and Community Development
- Josh Fudge, DAS-Budget Director
- Daniel Laurila, Fiscal and Management Analyst 3, DAS
- Jim Keegan, Chief of Planning and Development, Parks Department
- Paul Kuglitsch, Principal Assistant Corporation Counsel
- Pam Bryant, Capital Finance Manager, Office of the Comptroller
- Justin Rodriguez, Budget and Management Coordinator, Office of the Comptroller
- Cynthia Pahl, Budget and Management Coordinator, Office of the Comptroller
- Jill Suurmeyer, Research and Policy Analyst, Office of the Comptroller
- Steve Cady, Research and Policy Director, Office of the Comptroller

ATTACHMENT A: Net Income of O'Donnell Park Facility (2008-2014)

| Net Income of O'Donnell Park Facility (2008-2014) | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 (Projected) |
| Revenues | | | | | | | |
| No. of Monthly Parkers | 588 | 790 | 609 | 295 | 647 | 587 | 789 |
| Monthly Rates | \$110.00 | \$120.00 | \$110.00 | \$85.00 | \$85.00 | \$90.00 | \$95.00 |
| No. of Daily Parkers | 302 | 287 | 336 | 413 | 275 | 285 | 295 |
| Daily Rates | \$7.00 | \$7.00 | \$7.00 | \$7.00 | \$7.00 | \$7.00 | \$7.00 |
| Months of Operation | 12 | 12 | 6 | 6 | 12 | 12 | 12 |
| Parking | \$1,537,728 | \$1,853,677 | \$823,050 | \$674,396 | \$1,366,266 | \$1,359,090 | \$1,658,595 |
| Commercial | \$252,485 | \$238,394 | \$222,803 | \$220,907 | \$207,221 | \$218,901 | \$190,000 |
| Other Revenues | \$36,533 | \$74,217 | \$17,765 | \$41,042 | \$26,680 | \$53,125 | \$23,205 |
| Total Revenues | \$1,826,746 | \$2,166,288 | \$1,063,618 | \$936,345 | \$1,600,167 | \$1,631,116 | \$1,871,800 |
| Expenses | | | | | | | |
| Personnel | \$394,800 | \$343,665 | \$188,814 | \$161,876 | \$166,572 | \$54,888 | \$90,967 |
| Services | \$67,510 | \$97,134 | \$63,179 | \$105,485 | \$104,010 | \$102,954 | \$122,981 |
| Utilities | \$302,072 | \$287,202 | \$311,869 | \$314,223 | \$329,453 | \$329,666 | \$317,282 |
| Commodities & Capital | \$49,206 | \$23,739 | \$54,510 | \$46,424 | \$60,312 | \$49,340 | \$50,071 |
| Cross Charges | \$37,743 | \$51,569 | \$101,690 | \$132,488 | \$52,679 | \$116,580 | \$126,576 |
| Total Expenses | \$851,331 | \$803,309 | \$720,062 | \$760,496 | \$713,026 | \$653,427 | \$707,876 |
| Net Operating | \$975,415 | \$1,362,979 | \$343,556 | \$175,849 | \$887,141 | \$977,689 | \$1,163,924 |
| Debt Costs | \$257,355 | \$250,195 | \$240,761 | \$603,761 | \$633,421 | \$711,864 | \$728,408 |
| Net Income | \$718,060 | \$1,112,784 | \$102,795 | (\$427,912) | \$253,720 | \$265,824 | \$435,515 |

ATTACHMENT B: Projected Net Income of O'Donnell Park Facility (2015-2021)

| Projected Net Income of O'Donnell Park Facility (2015-2021) | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Revenues | | | | | | | |
| No. of Monthly Parkers | 790 | 791 | 792 | 752 | 672 | 572 | 577 |
| Monthly Rates | \$96.90 | \$98.80 | \$100.80 | \$102.80 | \$104.90 | \$107.00 | \$109.10 |
| No. of Daily Parkers | 295 | 295 | 295 | 295 | 295 | 295 | 295 |
| Daily Rates | \$7.10 | \$7.20 | \$7.30 | \$7.40 | \$7.50 | \$7.70 | \$7.90 |
| Parking | \$1,683,650 | \$1,713,620 | \$1,744,590 | \$1,725,030 | \$1,654,040 | \$1,564,130 | \$1,606,650 |
| Commercial | \$183,600 | \$187,270 | \$191,020 | \$194,840 | \$198,740 | \$202,710 | \$206,760 |
| Other Revenues | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 | \$27,000 |
| Total Revenues | \$1,894,250 | \$1,927,890 | \$1,962,610 | \$1,946,870 | \$1,879,780 | \$1,793,840 | \$1,840,410 |
| Expenses | | | | | | | |
| Personnel | \$102,000 | \$104,040 | \$106,120 | \$108,240 | \$110,400 | \$112,610 | \$114,860 |
| Services | \$113,440 | \$115,710 | \$118,020 | \$120,380 | \$122,790 | \$125,250 | \$127,750 |
| Utilities | \$327,840 | \$334,400 | \$341,090 | \$347,910 | \$354,870 | \$361,970 | \$369,210 |
| Commodities & Capital | \$98,670 | \$100,640 | \$102,650 | \$104,700 | \$106,790 | \$108,920 | \$111,100 |
| Cross Charges | \$118,910 | \$121,290 | \$123,720 | \$126,190 | \$128,710 | \$131,280 | \$133,910 |
| Total Expenses | \$760,860 | \$776,080 | \$791,600 | \$807,420 | \$823,560 | \$840,030 | \$856,830 |
| Net Operating | \$1,133,390 | \$1,151,810 | \$1,171,010 | \$1,139,450 | \$1,056,220 | \$953,810 | \$983,580 |
| Debt & Maintenance | | | | | | | |
| Existing Debt | \$832,153 | \$862,004 | \$842,181 | \$749,032 | \$611,076 | \$585,516 | \$769,452 |
| New Debt | \$168,356 | \$168,356 | \$168,356 | \$168,356 | \$168,356 | \$168,356 | \$168,356 |
| Major Maintenance | - | - | \$301,000 | - | - | \$259,000 | \$325,000 |
| Total Debt & Maintenance | \$1,000,509 | \$1,030,360 | \$1,311,537 | \$917,388 | \$779,432 | \$1,012,872 | \$1,262,808 |
| Net Income | \$132,881 | \$121,450 | (\$140,527) | \$222,062 | \$276,788 | (\$59,062) | (\$279,228) |

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

5

DATE: September 2, 2014

TO: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM: Teig Whaley-Smith, Economic Development Director, Department of Administrative Services

SUBJECT: Purchase Proposal from Jerry Reigler for Property at 1229 S 76th St – West Allis, WI

REQUEST

Authorization to accept an offer to purchase property at 1229 S 76th St, West Allis, WI to Jerry Reigler, pursuant to County Code 6.03(4) related to offers to purchase of lands under County Control.

BACKGROUND

The Real Estate Section of Economic Development Division working in cooperation with Department of Health and Human Services – Housing Division has identified a County Owned – tax foreclosed property at 1229 S 76th St in the City of West Allis, which will be used as part of the County Housing program. An offer was submitted in the amount of \$65,000. A copy of the offer is attached as well as a summary of the appraisal done on the property. The Property was acquired by the County by tax foreclosure in 2013 for back taxes. The current balance of outstanding taxes and interest is \$33,697.63.

An appraisal on the Property was conducted on June 19th of 2014 with a value attached of \$85,000. The property is a duplex built in 1924 with a condition rating from the Appraiser of “average to good”.

The offer dated August 11, 2014 is made by Jerry Reigler who is with Next-Step Residential Services, a real estate company specializing in providing independent living options to seniors and people with disabilities. The offer was drafted by RE/MAX Realty Lakeside, on behalf of the buyers, but no commission is involved in the transaction. The offer is for Sixty Five Thousand dollars (\$65,000.00) which is 76% of the appraised value; therefore it does not qualify this property for the Passive Review Process. It is a cash offer and does contain an inspection contingency related to the structural condition of the house.

RECOMMENDATION

Approval is recommended for the Offer to Purchase. The property will be utilized as part of the County Housing Division program. The program currently has a shortage of quality housing in this area, and this property will help meet that need.

Teig Whaley-Smith
Economic Development Director, Department of Administrative Services

Attachments: Offer to Purchase, Appraisal, Map of Property

cc: Chris Abele, County Executive
Economic and Community Development Committee Members
Don Tyler, Director, Department of Administrative Services
Julie Esch, Director of Operations, Department of Administrative Services
Raisa Koltun, Chief of Staff, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board of Supervisors
David Cialdini, Economic Development Real Estate Agent

1
2
3
4 (ITEM) A resolution requesting authorization to sell a property at 1229 S 76th St in
5 the City of West Allis, to Jerry Reigler per County Code 6.03(4) relating to offers to
6 purchase of lands under County Control, by recommending adoption of the following:
7
8

9 **A RESOLUTION**

10
11 WHEREAS, the Real Estate Section of the Economic Development Division
12 received an offer to purchase on an excess County-owned property located at 1229
13 S 76th St in the City of West Allis, WI; and,
14

15 WHEREAS, the subject property, appraised at \$85,000, is a residential
16 duplex; and
17

18 WHEREAS, the Milwaukee County Treasurer acquired the property by
19 foreclosure proceedings for non-payment of real estate taxes. The Milwaukee
20 County Department of Health and Human Services – Housing Division has identified
21 the property as necessary for its program inventory; and
22

23 WHEREAS, the offer submitted by Jerry Rigler to the County is for \$65,000
24

25 WHEREAS, the offer is below the appraised value, but because the use of the
26 property will go towards the County Housing Program, the Economic Development
27 Staff feels the benefit to the community outweighs any additional money that may be
28 realized by having it on the market; therefore
29

30 BE IT RESOLVED, that the Real Estate Agent for Economic Development is
31 hereby authorized to sign an offer to purchase to Jerry Reigler for \$65,000; and
32

33 BE IT FURTHER RESOLVED, that the County Executive and the County
34 Clerk are hereby authorized to convey by Quit Claim Deed the property located at
35 1229 S 76th St, West Allis to Jerry Reigler; and
36

37 BE IT FURTHER RESOLVED, that the County Executive and the County
38 Clerk and/or other appropriate County officials be hereby authorized to execute, after
39 Corporation Counsel approval, any assignment and/or amendment required to
40 implement the intent of this resolution.
41

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: September 2, 2014

Original Fiscal Note x

Substitute Fiscal Note

SUBJECT: Authorization to sell County owned excess property at 1229 S 76th St, West Allis, WI

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| x Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures (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 | |
| x 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.

| | Expenditure or Revenue Category | Current Year | Subsequent Year |
|-----------------------------------|--|---------------------|------------------------|
| Operating Budget | Expenditure | 0 | |
| | Revenue | 0 | |
| | Net Cost | 0 | |
| Capital Improvement Budget | 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. ¹ 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 Residential Duplex at 1229 S 76th St in West Allis, WI was acquired by the Milwaukee County Treasurer through foreclosure because of non payment of real estate taxes. Economic Development has received an offer to purchase from a private buyer in the amount of \$65,000. Sale of the property will:

- (a) relieve the county of maintenance obligations; the Economic Development Department does not track maintenance costs per parcel, rather the maintenance budget is spread across all parcels, including new inventory; consequently no budget impact is expected but the sale will allow maintenance efforts to be focused on newly acquired parcels; and
- (b) Reimburse the Treasurer for any outstanding balance incurred by the Treasurer pursuant to Milwaukee County Ordinances 6.03(3)(a). The current balance of outstanding taxes and interest is \$33,697.63. The remaining balance of approximately \$30,000, after closing costs, will be allocated towards Economic Development's budget of \$400,000 of land sales.

Department/Prepared By Teig Whaley-Smith, Economic Development Director

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ 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.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.
September ECD Packet

WB-11 RESIDENTIAL OFFER TO PURCHASE

1 LICENSEE DRAFTING THIS OFFER ON August 11, 2014 [DATE] IS (AGENT OF BUYER)
2 (~~AGENT OF SELLER/LISTING BROKER~~) (~~AGENT OF BUYER AND SELLER~~) [~~STRIKE THOSE NOT APPLICABLE~~]

3 **GENERAL PROVISIONS** The Buyer, Jerry Reigler
4 _____, offers to purchase the Property known as [Street Address] 1229 S 76th Street
5 _____ in the _____ City _____
6 of West Allis, County of Milwaukee Wisconsin (insert additional
7 description, if any, at lines 165-172 or 435-442 or attach as an addendum per line 434), on the following terms:

8 PURCHASE PRICE: Sixty-Five Thousand
9 _____ Dollars (\$ 65,000.00).

10 EARNEST MONEY of \$ _____ accompanies this Offer and earnest money of \$ 500.00
11 will be mailed, or commercially or personally delivered within 5 days of acceptance to listing broker or
12 _____.

13 THE BALANCE OF PURCHASE PRICE will be paid in cash or equivalent at closing unless otherwise provided below.

14 INCLUDED IN PURCHASE PRICE: Seller is including in the purchase price the Property, all Fixtures on the Property on
15 the date of this Offer not excluded at lines 17-18, and the following additional items: 2 Stoves 2 Refrigerators and
16 Snow Blower

17 NOT INCLUDED IN PURCHASE PRICE: Sellers and tenants personal Property
18 _____.

19 **CAUTION: Identify Fixtures that are on the Property (see lines 185-193) to be excluded by Seller or which are rented**
20 **and will continue to be owned by the lessor.**

21 **NOTE: The terms of this Offer, not the listing contract or marketing materials, determine what items are**
22 **included/excluded.**

23 **ACCEPTANCE** Acceptance occurs when all Buyers and Sellers have signed one copy of the Offer, or separate but identical
24 copies of the Offer.

25 **CAUTION: Deadlines in the Offer are commonly calculated from acceptance. Consider whether short term deadlines**
26 **running from acceptance provide adequate time for both binding acceptance and performance.**

27 **BINDING ACCEPTANCE** This Offer is binding upon both Parties only if a copy of the accepted Offer is delivered to Buyer on
28 or before September 12, 2014. Seller may keep the Property on the
29 market and accept secondary offers after binding acceptance of this Offer.

30 **CAUTION: This Offer may be withdrawn prior to delivery of the accepted Offer.**

31 **OPTIONAL PROVISIONS** TERMS OF THIS OFFER THAT ARE PRECEDED BY AN OPEN BOX () ARE PART OF THIS
32 OFFER ONLY IF THE BOX IS MARKED SUCH AS WITH AN "X." THEY ARE NOT PART OF THIS OFFER IF MARKED "N/A"
33 OR ARE LEFT BLANK.

34 **DELIVERY OF DOCUMENTS AND WRITTEN NOTICES** Unless otherwise stated in this Offer, delivery of documents and
35 written notices to a Party shall be effective only when accomplished by one of the methods specified at lines 36-54.

36 (1) **Personal Delivery:** giving the document or written notice personally to the Party, or the Party's recipient for delivery if
37 named at line 38 or 39.

38 Seller's recipient for delivery (optional): Karl Brien Re/max Lakeside

39 Buyer's recipient for delivery (optional): David Cialdini Milwaukee County

40 (2) **Fax:** fax transmission of the document or written notice to the following telephone number:
41 Seller: (414) 223-1917 Buyer: (414) 325-6900

42 (3) **Commercial Delivery:** depositing the document or written notice fees prepaid or charged to an account with a
43 commercial delivery service, addressed either to the Party, or to the Party's recipient for delivery if named at line 38 or 39, for
44 delivery to the Party's delivery address at line 47 or 48.

45 (4) **U.S. Mail:** depositing the document or written notice postage prepaid in the U.S. Mail, addressed either to the Party,
46 or to the Party's recipient for delivery if named at line 38 or 39, for delivery to the Party's delivery address at line 47 or 48.

47 Delivery address for Seller: _____

48 Delivery address for Buyer: _____

49 (5) **E-Mail:** electronically transmitting the document or written notice to the Party's e-mail address, if given below at line
50 53 or 54. If this is a consumer transaction where the property being purchased or the sale proceeds are used primarily for
51 personal, family or household purposes, each consumer providing an e-mail address below has first consented electronically
52 to the use of electronic documents, e-mail delivery and electronic signatures in the transaction, as required by federal law.

53 E-Mail address for Seller (optional): david.cialdini@milwaukeecounty.gov

54 E-Mail address for Buyer (optional): kbrien@lakesiderealtors.com

55 **PERSONAL DELIVERY/ACTUAL RECEIPT** Personal delivery to, or Actual Receipt by, any named Buyer or Seller
56 constitutes personal delivery to, or Actual Receipt by, all Buyers or Sellers.

57 **OCCUPANCY** Occupancy of the entire Property shall be given to Buyer at time of closing unless otherwise provided in this
 58 Offer at lines 165-172 or 435-442 or in an addendum attached per line 434. At time of Buyer's occupancy, Property shall be in
 59 broom swept condition and free of all debris and personal property except for personal property belonging to current tenants,
 60 or that sold to Buyer or left with Buyer's consent. Occupancy shall be given subject to tenant's rights, if any.

61 **DEFINITIONS**

62 ■ **ACTUAL RECEIPT:** "Actual Receipt" means that a Party, not the Party's recipient for delivery, if any, has the document or
 63 written notice physically in the Party's possession, regardless of the method of delivery.

64 ■ **CONDITIONS AFFECTING THE PROPERTY OR TRANSACTION:** "Conditions Affecting the Property or Transaction" are
 65 defined to include:

- 66 a. Defects in the roof.
- 67 b. Defects in the electrical system.
- 68 c. Defects in part of the plumbing system (including the water heater, water softener and swimming pool) that is included in
 69 the sale.
- 70 d. Defects in the heating and air conditioning system (including the air filters and humidifiers).
- 71 e. Defects in the well, including unsafe well water.
- 72 f. Property is served by a joint well.
- 73 g. Defects in the septic system or other sanitary disposal system.
- 74 h. Underground or aboveground fuel storage tanks on or previously located on the Property. (If "yes", the owner, by law,
 75 may have to register the tanks with the Department of Commerce at P.O. Box 7970, Madison, Wisconsin, 53707, whether
 76 the tanks are in use or not. Regulations of the Department of Commerce may require the closure or removal of unused
 77 tanks.)
- 78 i. "LP" tank on the Property (specify in the additional information whether the tank is owned or leased).
- 79 j. Defects in the basement or foundation (including cracks, seepage and bulges).
- 80 k. Property is located in a floodplain, wetland or shoreland zoning area.
- 81 l. Defects in the structure of the Property.
- 82 m. Defects in mechanical equipment included in the sale either as Fixtures or personal property.
- 83 n. Boundary or lot line disputes, encroachments or encumbrances (including a joint driveway).
- 84 o. Defect caused by unsafe concentrations of, or unsafe conditions relating to, radon, radium in water supplies, lead in paint,
 85 lead in soil, lead in water supplies or plumbing system, or other potentially hazardous or toxic substances on the Property.
 86 **NOTE: Specific federal lead paint disclosure requirements must be complied with in the sale of most residential**
 87 **properties built before 1978.**
- 88 p. Presence of asbestos or asbestos-containing materials on the Property.
- 89 q. Defect caused by unsafe concentrations of, unsafe conditions relating to, or the storage of, hazardous or toxic substances
 90 on neighboring properties.
- 91 r. Current or previous termite, powder-post beetle or carpenter ant infestations or Defects caused by animal or other insect
 92 infestations.
- 93 s. Defects in a wood burning stove or fireplace or Defects caused by a fire in a stove or fireplace or elsewhere on the
 94 Property.
- 95 t. Remodeling affecting the Property's structure or mechanical systems or additions to Property during Seller's ownership
 96 without required permits.
- 97 u. Federal, state, or local regulations requiring repairs, alterations or corrections of an existing condition.
- 98 v. Notice of property tax increases, other than normal annual increases, or pending property reassessment.
- 99 w. Remodeling that may increase Property's assessed value.
- 100 x. Proposed or pending special assessments.
- 101 y. Property is located within a special purpose district, such as a drainage district, that has the authority to impose
 102 assessments against the real property located within the district.
- 103 z. Proposed construction of a public project that may affect the use of the Property.
- 104 aa. Subdivision homeowners' associations, common areas co-owned with others, zoning violations or nonconforming uses,
 105 rights-of-way, easements or another use of a part of the Property by non-owners, other than recorded utility easements.
- 106 bb. Structure on the Property is designated as an historic building or part of the Property is in an historic district.
- 107 cc. Any land division involving the Property for which required state or local permits had not been obtained.
- 108 dd. Violation of state or local smoke and carbon monoxide detector laws.
- 109 ee. High voltage electric (100 KV or greater) or steel natural gas transmission lines located on but not directly serving the
 110 Property.
- 111 ff. The Property is subject to a mitigation plan required by Wisconsin Department of Natural Resources (DNR) rules related
 112 to county shoreland zoning ordinances that obligates the owner to establish or maintain certain measures related to
 113 shoreland conditions, enforceable by the county.
- 114 gg. Other Defects affecting the Property.

115 **(Definitions Continued on page 4)**

116 **CLOSING** This transaction is to be closed no later than September 30, 2014
117 at the place selected by Seller, unless otherwise agreed by the Parties in writing.

118 **CLOSING PRORATIONS** The following items, if applicable, shall be prorated at closing, based upon date of closing values:
119 real estate taxes, rents, prepaid insurance (if assumed), private and municipal charges, property owner's association
120 assessments, fuel and _____.

121 **CAUTION: Provide basis for utility charges, fuel or other prorations if date of closing value will not be used.**

122 Any income, taxes or expenses shall accrue to Seller, and be prorated at closing, through the day prior to closing.

123 Real estate taxes shall be prorated at closing based on [CHECK BOX FOR APPLICABLE PRORATION FORMULA]:

124 The net general real estate taxes for the preceding year, or the current year if available (Net general real estate
125 taxes are defined as general property taxes after state tax credits and lottery credits are deducted) (NOTE: THIS CHOICE
126 APPLIES IF NO BOX IS CHECKED)

127 Current assessment times current mill rate (current means as of the date of closing)

128 Sale price, multiplied by the municipality area-wide percent of fair market value used by the assessor in the prior
129 year, or current year if known, multiplied by current mill rate (current means as of the date of closing)

130 _____
131 **CAUTION: Buyer is informed that the actual real estate taxes for the year of closing and subsequent years may be**
132 **substantially different than the amount used for proration especially in transactions involving new construction,**
133 **extensive rehabilitation, remodeling or area-wide re-assessment. Buyer is encouraged to contact the local assessor**
134 **regarding possible tax changes.**

135 Buyer and Seller agree to re-prorate the real estate taxes, through the day prior to closing based upon the taxes on
136 the actual tax bill for the year of closing, with Buyer and Seller each owing his or her pro-rata share. Buyer shall, within 5
137 days of receipt, forward a copy of the bill to the forwarding address Seller agrees to provide at closing. The Parties shall
138 re-prorate within 30 days of Buyer's receipt of the actual tax bill. Buyer and Seller agree this is a post-closing obligation
139 and is the responsibility of the Parties to complete, not the responsibility of the real estate brokers in this transaction.

140 **LEASED PROPERTY** If Property is currently leased and lease(s) extend beyond closing, Seller shall assign Seller's rights
141 under said lease(s) and transfer all security deposits and prepaid rents thereunder to Buyer at closing. The terms of the
142 (written) (oral) ~~STRIKE ONE~~ lease(s), if any, are _____

143 _____ . Insert additional terms, if any, at lines 165-172 or 435-442 or attach as an addendum per line 434.

144 **RENTAL WEATHERIZATION** This transaction (is) ~~(is not)~~ ~~STRIKE ONE~~ exempt from Wisconsin Rental Weatherization
145 Standards (Wis. Admin. Code Ch. Comm 67). If not exempt, (Buyer) (Seller) ~~STRIKE ONE~~ ("Buyer" if neither is stricken) shall
146 be responsible for compliance, including all costs, with Wisconsin Rental Weatherization Standards. If Seller is responsible for
147 compliance, Seller shall provide a Certificate of Compliance at closing.

148 **REAL ESTATE CONDITION REPORT** Wisconsin law requires owners of property which includes 1-4 dwelling units to
149 provide Buyers with a Real Estate Condition Report. Excluded from this requirement are sales of property that has never been
150 inhabited, sales exempt from the real estate transfer fee, and sales by certain court-appointed fiduciaries, (for example,
151 personal representatives who have never occupied the Property). The form of the Report is found in Wis. Stat. § 709.03. The
152 law provides: "§ 709.02 Disclosure . . . the owner of the property shall furnish, not later than 10 days after acceptance of the
153 contract of sale . . . , to the prospective Buyer of the property a completed copy of the report . . . A prospective Buyer who does
154 not receive a report within the 10 days may, within 2 business days after the end of that 10 day period, rescind the contract of
155 sale . . . by delivering a written notice of rescission to the owner or the owner's agent." Buyer may also have certain rescission
156 rights if a Real Estate Condition Report disclosing defects is furnished before expiration of the 10 days, but after the Offer is
157 submitted to Seller. Buyer should review the report form or consult with an attorney for additional information regarding
158 rescission rights.

159 **PROPERTY CONDITION REPRESENTATIONS** Seller represents to Buyer that as of the date of acceptance Seller has no
160 notice or knowledge of Conditions Affecting the Property or Transaction (lines 64-114) other than those identified in Seller's
161 Real Estate Condition Report dated _____, which was received by Buyer prior to Buyer
162 signing this Offer and which is made a part of this Offer by reference COMPLETE DATE OR STRIKE AS APPLICABLE and

163 _____
164 INSERT CONDITIONS NOT ALREADY INCLUDED IN THE CONDITION REPORT

165 **ADDITIONAL PROVISIONS/CONTINGENCIES** _____
166 _____
167 _____
168 _____
169 _____
170 _____
171 _____
172 _____

173 **DEFINITIONS CONTINUED FROM PAGE 2**

174 ■ **DEADLINES:** "Deadlines" expressed as a number of "days" from an event, such as acceptance, are calculated by excluding
 175 the day the event occurred and by counting subsequent calendar days. The deadline expires at midnight on the last day.
 176 Deadlines expressed as a specific number of "business days" exclude Saturdays, Sundays, any legal public holiday under
 177 Wisconsin or Federal law, and any other day designated by the President such that the postal service does not receive
 178 registered mail or make regular deliveries on that day. Deadlines expressed as a specific number of "hours" from the
 179 occurrence of an event, such as receipt of a notice, are calculated from the exact time of the event, and by counting 24 hours
 180 per calendar day. Deadlines expressed as a specific day of the calendar year or as the day of a specific event, such as
 181 closing, expire at midnight of that day.

182 ■ **DEFECT:** "Defect" means a condition that would have a significant adverse effect on the value of the Property; that would
 183 significantly impair the health or safety of future occupants of the Property; or that if not repaired, removed or replaced would
 184 significantly shorten or adversely affect the expected normal life of the premises.

185 ■ **FIXTURE:** A "Fixture" is an item of property which is physically attached to or so closely associated with land or
 186 improvements so as to be treated as part of the real estate, including, without limitation, physically attached items not easily
 187 removable without damage to the premises, items specifically adapted to the premises and items customarily treated as
 188 fixtures, including, but not limited to, all: garden bulbs; plants; shrubs and trees; screen and storm doors and windows; electric
 189 lighting fixtures; window shades; curtain and traverse rods; blinds and shutters; central heating and cooling units and attached
 190 equipment; water heaters and treatment systems; sump pumps; attached or fitted floor coverings; awnings; attached
 191 antennas; garage door openers and remote controls; installed security systems; central vacuum systems and accessories; in-
 192 ground sprinkler systems and component parts; built-in appliances; ceiling fans; fences; storage buildings on permanent
 193 foundations and docks/piers on permanent foundations.

194 **CAUTION: Exclude any Fixtures to be retained by Seller or which are rented (e.g., water softener or other water
 195 conditioning systems, home entertainment and satellite dish components, L.P. tanks, etc.) on lines 17-18.**

196 ■ **PROPERTY:** Unless otherwise stated, "Property" means the real estate described at lines 4-7.

197 **PROPERTY DIMENSIONS AND SURVEYS** Buyer acknowledges that any land, building or room dimensions, or total
 198 acreage or building square footage figures, provided to Buyer by Seller or by a broker, may be approximate because of
 199 rounding, formulas used or other reasons, unless verified by survey or other means.

200 **CAUTION: Buyer should verify total square footage formula, total square footage/acreage figures, and land, building
 201 or room dimensions, if material.**

202 **BUYER'S PRE-CLOSING WALK-THROUGH** Within 3 days prior to closing, at a reasonable time pre-approved by Seller or
 203 Seller's agent, Buyer shall have the right to walk through the Property to determine that there has been no significant change
 204 in the condition of the Property, except for ordinary wear and tear and changes approved by Buyer, and that any defects
 205 Seller has agreed to cure have been repaired in the manner agreed to by the Parties.

206 **PROPERTY DAMAGE BETWEEN ACCEPTANCE AND CLOSING** Seller shall maintain the Property until the earlier of
 207 closing or occupancy of Buyer in materially the same condition as of the date of acceptance of this Offer, except for ordinary
 208 wear and tear. If, prior to closing, the Property is damaged in an amount of not more than five percent (5%) of the selling price,
 209 Seller shall be obligated to repair the Property and restore it to the same condition that it was on the day of this Offer. No later
 210 than closing, Seller shall provide Buyer with lien waivers for all lienable repairs and restoration. If the damage shall exceed
 211 such sum, Seller shall promptly notify Buyer in writing of the damage and this Offer may be canceled at option of Buyer.
 212 Should Buyer elect to carry out this Offer despite such damage, Buyer shall be entitled to the insurance proceeds, if any,
 213 relating to the damage to the Property, plus a credit towards the purchase price equal to the amount of Seller's deductible on
 214 such policy, if any. However, if this sale is financed by a land contract or a mortgage to Seller, any insurance proceeds shall
 215 be held in trust for the sole purpose of restoring the Property.

216 **IF LINE 217 IS NOT MARKED OR IS MARKED N/A LINES 257-263 APPLY.**

217 **FINANCING CONTINGENCY:** This Offer is contingent upon Buyer being able to obtain a written _____
 218 _____ [INSERT LOAN PROGRAM OR SOURCE] first mortgage
 219 loan commitment as described below, within _____ days of acceptance of this Offer. The financing selected shall be in an
 220 amount of not less than \$ _____ for a term of not less than _____ years, amortized over not less than
 221 _____ years. Initial monthly payments of principal and interest shall not exceed \$ _____. Monthly payments may
 222 also include 1/12th of the estimated net annual real estate taxes, hazard insurance premiums, and private mortgage insurance
 223 premiums. The mortgage may not include a prepayment premium. Buyer agrees to pay discount points and/or loan origination
 224 fee in an amount not to exceed _____ % of the loan. If the purchase price under this Offer is modified, the financed
 225 amount, unless otherwise provided, shall be adjusted to the same percentage of the purchase price as in this contingency and
 226 the monthly payments shall be adjusted as necessary to maintain the term and amortization stated above.

227 **CHECK AND COMPLETE APPLICABLE FINANCING PROVISION AT LINE 228 or 229.**

228 **FIXED RATE FINANCING:** The annual rate of interest shall not exceed _____ %.

229 **ADJUSTABLE RATE FINANCING:** The initial annual interest rate shall not exceed _____ %. The initial interest
 230 rate shall be fixed for _____ months, at which time the interest rate may be increased not more than _____ % per
 231 year. The maximum interest rate during the mortgage term shall not exceed _____ %. Monthly payments of principal
 232 and interest may be adjusted to reflect interest changes.

233 If Buyer is using multiple loan sources or obtaining a construction loan or land contract financing, describe at lines
 234 165-172 or 435-442 or in an addendum attached per line 434.

235 **BUYER'S LOAN COMMITMENT:** Buyer agrees to pay all customary loan and closing costs, to promptly apply for a
 236 mortgage loan, and to provide evidence of application promptly upon request of Seller. If Buyer qualifies for the loan described
 237 in this Offer or another loan acceptable to Buyer, Buyer agrees to deliver to Seller a copy of the written loan commitment no
 238 later than the deadline at line 219. **Buyer and Seller agree that delivery of a copy of any written loan commitment to
 239 Seller (even if subject to conditions) shall satisfy Buyer's financing contingency if, after review of the loan
 240 commitment, Buyer has directed, in writing, delivery of the loan commitment. Buyer's written direction shall
 241 accompany the loan commitment. Delivery shall not satisfy this contingency if accompanied by a notice of
 242 unacceptability.**

243 **CAUTION: The delivered commitment may contain conditions Buyer must yet satisfy to obligate the lender to provide
 244 the loan. BUYER, BUYER'S LENDER AND AGENTS OF BUYER OR SELLER SHALL NOT DELIVER A LOAN
 245 COMMITMENT TO SELLER OR SELLER'S AGENT WITHOUT BUYER'S PRIOR WRITTEN APPROVAL OR UNLESS
 246 ACCOMPANIED BY A NOTICE OF UNACCEPTABILITY.**

247 **SELLER TERMINATION RIGHTS:** If Buyer does not make timely delivery of said commitment; Seller may terminate this
 248 Offer if Seller delivers a written notice of termination to Buyer prior to Seller's Actual Receipt of a copy of Buyer's written loan
 249 commitment.

250 **FINANCING UNAVAILABILITY:** If financing is not available on the terms stated in this Offer (and Buyer has not already
 251 delivered an acceptable loan commitment for other financing to Seller), Buyer shall promptly deliver written notice to Seller of
 252 same including copies of lender(s)' rejection letter(s) or other evidence of unavailability. Unless a specific loan source is
 253 named in this Offer, Seller shall then have 10 days to deliver to Buyer written notice of Seller's decision to finance this
 254 transaction on the same terms set forth in this Offer, and this Offer shall remain in full force and effect, with the time for closing
 255 extended accordingly. If Seller's notice is not timely given, this Offer shall be null and void. Buyer authorizes Seller to obtain
 256 any credit information reasonably appropriate to determine Buyer's credit worthiness for Seller financing.

257 **IF THIS OFFER IS NOT CONTINGENT ON FINANCING:** Within 7 days of acceptance, a financial institution or third party
 258 in control of Buyer's funds shall provide Seller with reasonable written verification that Buyer has, at the time of verification,
 259 sufficient funds to close. If such written verification is not provided, Seller has the right to terminate this Offer by delivering
 260 written notice to Buyer. Buyer may or may not obtain mortgage financing but does not need the protection of a financing
 261 contingency. Seller agrees to allow Buyer's appraiser access to the Property for purposes of an appraisal. Buyer understands
 262 and agrees that this Offer is not subject to the appraisal meeting any particular value, unless this Offer is subject to an
 263 appraisal contingency, nor does the right of access for an appraisal constitute a financing contingency.

264 **APPRAISAL CONTINGENCY:** This Offer is contingent upon the Buyer or Buyer's lender having the Property appraised
 265 at Buyer's expense by a Wisconsin licensed or certified independent appraiser who issues an appraisal report dated
 266 subsequent to the date of this Offer indicating an appraised value for the Property equal to or greater than the agreed upon
 267 purchase price. This contingency shall be deemed satisfied unless Buyer, within _____ days of acceptance, delivers
 268 to Seller a copy of the appraisal report which indicates that the appraised value is not equal to or greater than the agreed upon
 269 purchase price, accompanied by a written notice of termination.

270 **CAUTION: An appraisal ordered by Buyer's lender may not be received until shortly before closing. Consider whether
 271 deadlines provide adequate time for performance.**

272 **DISTRIBUTION OF INFORMATION** Buyer and Seller authorize the agents of Buyer and Seller to: (i) distribute copies of the
 273 Offer to Buyer's lender, appraisers, title insurance companies and any other settlement service providers for the transaction as
 274 defined by the Real Estate Settlement Procedures Act (RESPA); (ii) report sales and financing concession data to multiple
 275 listing service sold databases; and (iii) provide active listing, pending sale, closed sale and financing concession information
 276 and data, and related information regarding seller contributions, incentives or assistance, and third party gifts, to appraisers
 277 researching comparable sales, market conditions and listings, upon inquiry.

278 **DEFAULT** Seller and Buyer each have the legal duty to use good faith and due diligence in completing the terms and
 279 conditions of this Offer. A material failure to perform any obligation under this Offer is a default which may subject the
 280 defaulting party to liability for damages or other legal remedies.

281 If Buyer defaults, Seller may:

- 282 (1) sue for specific performance and request the earnest money as partial payment of the purchase price; or
 283 (2) terminate the Offer and have the option to: (a) request the earnest money as liquidated damages; or (b) sue for actual
 284 damages.

285 If Seller defaults, Buyer may:

- 286 (1) sue for specific performance; or
 287 (2) terminate the Offer and request the return of the earnest money, sue for actual damages, or both.

288 In addition, the Parties may seek any other remedies available in law or equity.

289 The Parties understand that the availability of any judicial remedy will depend upon the circumstances of the situation and the
 290 discretion of the courts. If either Party defaults, the Parties may renegotiate the Offer or seek nonjudicial dispute resolution
 291 instead of the remedies outlined above. By agreeing to binding arbitration, the Parties may lose the right to litigate in a court of
 292 law those disputes covered by the arbitration agreement.

293 **NOTE: IF ACCEPTED, THIS OFFER CAN CREATE A LEGALLY ENFORCEABLE CONTRACT. BOTH PARTIES SHOULD**
 294 **READ THIS DOCUMENT CAREFULLY. BROKERS MAY PROVIDE A GENERAL EXPLANATION OF THE PROVISIONS**
 295 **OF THE OFFER BUT ARE PROHIBITED BY LAW FROM GIVING ADVICE OR OPINIONS CONCERNING YOUR LEGAL**
 296 **RIGHTS UNDER THIS OFFER OR HOW TITLE SHOULD BE TAKEN AT CLOSING. AN ATTORNEY SHOULD BE**
 297 **CONSULTED IF LEGAL ADVICE IS NEEDED.**

298 **ENTIRE CONTRACT** This Offer, including any amendments to it, contains the entire agreement of the Buyer and Seller
 299 regarding the transaction. All prior negotiations and discussions have been merged into this Offer. This agreement binds
 300 and inures to the benefit of the Parties to this Offer and their successors in interest.

301 **NOTICE ABOUT SEX OFFENDER REGISTRY** You may obtain information about the sex offender registry and persons
 302 registered with the registry by contacting the Wisconsin Department of Corrections on the Internet at
 303 <http://www.widocoffenders.org> or by telephone at (608) 240-5830.

304 **CLOSING OF BUYER'S PROPERTY CONTINGENCY:** This Offer is contingent upon the closing of the sale of Buyer's
305 property located at _____, no later than _____. If Seller accepts
306 a bona fide secondary offer, Seller may give written notice to Buyer of acceptance. If Buyer does not deliver to Seller a written
307 waiver of the Closing of Buyer's Property Contingency and _____

308
309 **[INSERT OTHER REQUIREMENTS, IF ANY (e.g., PAYMENT OF ADDITIONAL EARNEST MONEY, WAIVER OF ALL**
310 **CONTINGENCIES, OR PROVIDING EVIDENCE OF SALE OR BRIDGE LOAN, etc.)]** within ____ hours of Buyer's Actual
311 Receipt of said notice, this Offer shall be null and void.

312 **SECONDARY OFFER:** This Offer is secondary to a prior accepted offer. This Offer shall become primary upon delivery
313 of written notice to Buyer that this Offer is primary. Unless otherwise provided, Seller is not obligated to give Buyer notice prior
314 to any deadline, nor is any particular secondary buyer given the right to be made primary ahead of other secondary buyers.
315 Buyer may declare this Offer null and void by delivering written notice of withdrawal to Seller prior to delivery of Seller's notice
316 that this Offer is primary. Buyer may not deliver notice of withdrawal earlier than ____ days after acceptance of this Offer. All
317 other Offer deadlines which are run from acceptance shall run from the time this Offer becomes primary.

318 **TIME IS OF THE ESSENCE** "Time is of the Essence" as to: (1) earnest money payment(s); (2) binding acceptance; (3)
319 occupancy; (4) date of closing; (5) contingency Deadlines **STRIKE AS APPLICABLE** and all other dates and Deadlines in this
320 Offer except: _____

321
322 _____ . If "Time is of the Essence" applies to a date or
323 Deadline, failure to perform by the exact date or Deadline is a breach of contract. If "Time is of the Essence" does not apply to
324 a date or Deadline, then performance within a reasonable time of the date or Deadline is allowed before a breach occurs.

325 **TITLE EVIDENCE**

326 **CONVEYANCE OF TITLE:** Upon payment of the purchase price, Seller shall convey the Property by warranty deed
327 (trustee's deed if Seller is a trust, personal representative's deed if Seller is an estate or other conveyance as
328 provided herein), free and clear of all liens and encumbrances, except: municipal and zoning ordinances and agreements
329 entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use
330 restrictions and covenants, present uses of the Property in violation of the foregoing disclosed in Seller's Real Estate
331 Condition Report and in this Offer, general taxes levied in the year of closing and _____

332
333
334
335 which constitutes merchantable title for purposes of this transaction. Seller shall complete and execute the documents
336 necessary to record the conveyance at Seller's cost and pay the Wisconsin Real Estate Transfer Fee.

337 **WARNING: Municipal and zoning ordinances, recorded building and use restrictions, covenants and easements may**
338 **prohibit certain improvements or uses and therefore should be reviewed, particularly if Buyer contemplates making**
339 **improvements to Property or a use other than the current use.**

340 **TITLE EVIDENCE:** Seller shall give evidence of title in the form of an owner's policy of title insurance in the amount of the
341 purchase price on a current ALTA form issued by an insurer licensed to write title insurance in Wisconsin. Seller shall pay all
342 costs of providing title evidence to Buyer. Buyer shall pay all costs of providing title evidence required by Buyer's lender.

343 **GAP ENDORSEMENT:** Seller shall provide a "gap" endorsement or equivalent gap coverage at (Seller's)(Buyer's)
344 **STRIKE ONE** ("Seller's" if neither stricken) cost to provide coverage for any liens or encumbrances first filed or recorded after
345 the effective date of the title insurance commitment and before the deed is recorded, subject to the title insurance policy
346 exclusions and exceptions, provided the title company will issue the endorsement. If a gap endorsement or equivalent gap
347 coverage is not available, Buyer may give written notice that title is not acceptable for closing (see lines 353-359).

348 **PROVISION OF MERCHANTABLE TITLE:** For purposes of closing, title evidence shall be acceptable if the required title
349 insurance commitment is delivered to Buyer's attorney or Buyer not less than 5 business days before closing, showing title to
350 the Property as of a date no more than 15 days before delivery of such title evidence to be merchantable per lines 326-335,
351 subject only to liens which will be paid out of the proceeds of closing and standard title insurance requirements and
352 exceptions, as appropriate.

353 **TITLE NOT ACCEPTABLE FOR CLOSING:** If title is not acceptable for closing, Buyer shall notify Seller in writing of
354 objections to title by the time set for closing. In such event, Seller shall have a reasonable time, but not exceeding 15 days, to
355 remove the objections, and the time for closing shall be extended as necessary for this purpose. In the event that Seller is
356 unable to remove said objections, Buyer shall have 5 days from receipt of notice thereof, to deliver written notice waiving the
357 objections, and the time for closing shall be extended accordingly. If Buyer does not waive the objections, this Offer shall be
358 null and void. Providing title evidence acceptable for closing does not extinguish Seller's obligations to give
359 merchantable title to Buyer.

360 ■ **SPECIAL ASSESSMENTS/OTHER EXPENSES:** Special assessments, if any, levied or for work actually commenced prior
 361 to the date of this Offer shall be paid by Seller no later than closing. All other special assessments shall be paid by
 362 Buyer.

363 **CAUTION: Consider a special agreement if area assessments, property owner's association assessments, special**
 364 **charges for current services under Wis. Stat. § 66.0627 or other expenses are contemplated. "Other expenses" are**
 365 **one-time charges or ongoing use fees for public improvements (other than those resulting in special assessments)**
 366 **relating to curb, gutter, street, sidewalk, municipal water, sanitary and storm water and storm sewer (including all**
 367 **sewer mains and hook-up/connection and interceptor charges), parks, street lighting and street trees, and impact**
 368 **fees for other public facilities, as defined in Wis. Stat. § 66.0617(1)(f).**

369 **EARNEST MONEY**

370 ■ **HELD BY:** Unless otherwise agreed, earnest money shall be paid to and held in the trust account of the listing broker
 371 (Buyer's agent if Property is not listed or Seller's account if no broker is involved), until applied to the purchase price or
 372 otherwise disbursed as provided in the Offer.

373 **CAUTION: Should persons other than a broker hold earnest money, an escrow agreement should be drafted by the**
 374 **Parties or an attorney. If someone other than Buyer makes payment of earnest money, consider a special**
 375 **disbursement agreement.**

376 ■ **DISBURSEMENT:** If negotiations do not result in an accepted offer, the earnest money shall be promptly disbursed (after
 377 clearance from payor's depository institution if earnest money is paid by check) to the person(s) who paid the earnest money.
 378 At closing, earnest money shall be disbursed according to the closing statement. If this Offer does not close, the earnest
 379 money shall be disbursed according to a written disbursement agreement signed by all Parties to this Offer. If said
 380 disbursement agreement has not been delivered to broker within 60 days after the date set for closing, broker may disburse
 381 the earnest money: (1) as directed by an attorney who has reviewed the transaction and does not represent Buyer or Seller;
 382 (2) into a court hearing a lawsuit involving the earnest money and all Parties to this Offer; (3) as directed by court order; or (4)
 383 any other disbursement required or allowed by law. Broker may retain legal services to direct disbursement per (1) or to file an
 384 interpleader action per (2) and broker may deduct from the earnest money any costs and reasonable attorneys fees, not to
 385 exceed \$250, prior to disbursement.

386 ■ **LEGAL RIGHTS/ACTION:** Broker's disbursement of earnest money does not determine the legal rights of the Parties in
 387 relation to this Offer. Buyer's or Seller's legal right to earnest money cannot be determined by broker. At least 30 days prior to
 388 disbursement per (1) or (4) above, broker shall send Buyer and Seller notice of the disbursement by certified mail. If Buyer or
 389 Seller disagree with broker's proposed disbursement, a lawsuit may be filed to obtain a court order regarding disbursement.
 390 Small Claims Court has jurisdiction over all earnest money disputes arising out of the sale of residential property with 1-4
 391 dwelling units and certain other earnest money disputes. Buyer and Seller should consider consulting attorneys regarding their
 392 legal rights under this Offer in case of a dispute. Both Parties agree to hold the broker harmless from any liability for good faith
 393 disbursement of earnest money in accordance with this Offer or applicable Department of Regulation and Licensing
 394 regulations concerning earnest money. See Wis. Admin. Code Ch. RL 18.

395 **INSPECTIONS AND TESTING** Buyer may only conduct inspections or tests if specific contingencies are included as a part of
 396 this Offer. An "inspection" is defined as an observation of the Property which does not include an appraisal or testing of the
 397 Property, other than testing for leaking carbon monoxide, or testing for leaking LP gas or natural gas used as a fuel source,
 398 which are hereby authorized. A "test" is defined as the taking of samples of materials such as soils, water, air or building
 399 materials from the Property and the laboratory or other analysis of these materials. Seller agrees to allow Buyer's inspectors,
 400 testers and appraisers reasonable access to the Property upon advance notice, if necessary to satisfy the contingencies in
 401 this Offer. Buyer and licensees may be present at all inspections and testing. Except as otherwise provided, Seller's
 402 authorization for inspections does not authorize Buyer to conduct testing of the Property.

403 **NOTE: Any contingency authorizing testing should specify the areas of the Property to be tested, the purpose of the**
 404 **test, (e.g., to determine if environmental contamination is present), any limitations on Buyer's testing and any other**
 405 **material terms of the contingency.**

406 Buyer agrees to promptly restore the Property to its original condition after Buyer's inspections and testing are completed
 407 unless otherwise agreed to with Seller. Buyer agrees to promptly provide copies of all inspection and testing reports to Seller.
 408 Seller acknowledges that certain inspections or tests may detect environmental pollution which may be required to be reported
 409 to the Wisconsin Department of Natural Resources.

410 **INSPECTION CONTINGENCY:** This contingency only authorizes inspections, not testing (see lines 395-409). This
411 Offer is contingent upon a Wisconsin registered home inspector performing a home inspection of the Property which discloses
412 no Defects. This Offer is further contingent upon a qualified independent inspector or independent qualified third party
413 performing an inspection of _____

414 _____ (list any Property component(s) to be separately inspected, e.g.,
415 swimming pool, roof, foundation, chimney, etc.) which discloses no Defects. Buyer shall order the inspection(s) and be
416 responsible for all costs of inspection(s). Buyer may have follow-up inspections recommended in a written report resulting
417 from an authorized inspection, provided they occur prior to the deadline specified at line 421. Inspection(s) shall be performed
418 by a qualified independent inspector or independent qualified third party.

419 **CAUTION: Buyer should provide sufficient time for the home inspection and/or any specialized inspection(s), as well
420 as any follow-up inspection(s).**

421 This contingency shall be deemed satisfied unless Buyer, within 10 days of acceptance, delivers to Seller a copy of the
422 written inspection report(s) and a written notice listing the Defect(s) identified in those report(s) to which Buyer objects (Notice
423 of Defects).

424 **CAUTION: A proposed amendment is not a Notice of Defects and will not satisfy this notice requirement.**
425 For the purposes of this contingency, Defects (see lines 182-184) do not include structural, mechanical or other conditions the
426 nature and extent of which Buyer had actual knowledge or written notice before signing this Offer.

427 **RIGHT TO CURE:** Seller (shall)(shall not) **STRIKE ONE** ("shall" if neither is stricken) have a right to cure the Defects. If
428 Seller has right to cure, Seller may satisfy this contingency by: (1) delivering written notice to Buyer within 10 days of
429 Buyer's delivery of the Notice of Defects stating Seller's election to cure Defects; (2) curing the Defects in a good and
430 workmanlike manner; and (3) delivering to Buyer a written report detailing the work done within 3 days prior to closing. This
431 Offer shall be null and void if Buyer makes timely delivery of the Notice of Defects and written inspection report(s) and: (1)
432 Seller does not have a right to cure or (2) Seller has a right to cure but: (a) Seller delivers written notice that Seller will not cure
433 or (b) Seller does not timely deliver the written notice of election to cure.

434 **ADDENDA:** The attached _____ is/are made part of this Offer.

435 **ADDITIONAL PROVISIONS/CONTINGENCIES** _____
436 _____
437 _____
438 _____
439 _____
440 _____
441 _____
442 _____

443 This Offer was drafted by [Licensee and Firm] Karl Brien Re/max Lakeside
444 _____ on August 11, 2014

445 (x) _____ August 11, 2014
446 Buyer's Signature ▲ Print Name Here ▶ Jerry Reigler Date ▲

447 (x) _____
448 Buyer's Signature ▲ Print Name Here ▶ _____ Date ▲

449 **EARNEST MONEY RECEIPT** Broker acknowledges receipt of earnest money as per line 10 of the above Offer.
450 _____ Broker (By) _____

451 **SELLER ACCEPTS THIS OFFER. THE WARRANTIES, REPRESENTATIONS AND COVENANTS MADE IN THIS OFFER**
452 **SURVIVE CLOSING AND THE CONVEYANCE OF THE PROPERTY. SELLER AGREES TO CONVEY THE PROPERTY**
453 **ON THE TERMS AND CONDITIONS AS SET FORTH HEREIN AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS**
454 **OFFER.**

455 (x) _____
456 Seller's Signature ▲ Print Name Here ▶ _____ Date ▲

457 (x) _____
458 Seller's Signature ▲ Print Name Here ▶ _____ Date ▲

459 This Offer was presented to Seller by [Licensee and Firm] _____
460 _____ on _____ at _____ a.m./p.m.

461 This Offer is rejected _____ This Offer is countered [See attached counter] _____
462 Seller Initials ▲ Date ▲ Seller Initials ▲ Date ▲

INVOICE

FROM:
 First Stop Appraisal
 3859 North 55th Street
 Milwaukee, WI 53216
 Telephone Number: (414)349-1674 Fax Number:

| INVOICE NUMBER | |
|-----------------------|------------|
| 0000518 | |
| DATES | |
| Invoice Date: | 06/23/2014 |
| Due Date: | |
| REFERENCE | |
| Internal Order #: | 0000518 |
| Lender Case #: | |
| Client File #: | |
| FHA/VA Case #: | |
| Main File # on form: | 0000518 |
| Other File # on form: | |
| Federal Tax ID: | 20-0566572 |
| Employer ID: | |

TO:
 David Cialdini
 Milwaukee County
 2711 W Wells St
 Milwaukee, WI 53208
 E-Mail: david.cialdini@milwaukeecountywi.gov
 Telephone Number: Fax Number:
 Alternate Number:

DESCRIPTION

Lender: N/A **Client:** Milwaukee County
Purchaser/Borrower: N/A
Property Address: 1229 S 76th St
City: West Allis
County: Milwaukee **State:** WI **Zip:** 53214
Legal Description: Fleming Park Lot 19 BLK 3

| FEES | AMOUNT |
|------|--------|
|------|--------|

| | |
|-----------------|--------|
| Full Appraisal | 475.00 |
| SUBTOTAL | |
| | 475.00 |

| PAYMENTS | AMOUNT |
|----------|--------|
|----------|--------|

| | | | |
|------------------|-------|--------------|------------------|
| Check #: | Date: | Description: | |
| Check #: | Date: | Description: | |
| Check #: | Date: | Description: | |
| SUBTOTAL | | | 0 |
| TOTAL DUE | | | \$ 475.00 |

| | | | | | |
|------------------|----------------|------------------|----------|----------|-------|
| Borrower | N/A | File No. 0000518 | | | |
| Property Address | 1229 S 76th St | | | | |
| City | West Allis | County Milwaukee | State WI | Zip Code | 53214 |
| Lender/Client | N/A | | | | |

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| Building Sketch | 28 |

APPRAISAL OF REAL PROPERTY



LOCATED AT

1229 S 76th St
West Allis, WI 53214
Fleming Park Lot 19 BLK 3

FOR

N/A
N/A

OPINION OF VALUE

85,000

AS OF

06/19/2014

BY

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Small Residential Income Property Appraisal Report

File # 0000518

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

| | | | | | | | |
|--|--|------------------------|------------------|-------------------------------------|--|----------|-------|
| Property Address | 1229 S 76th St | City | West Allis | State | WI | Zip Code | 53214 |
| Borrower | N/A | Owner of Public Record | Milwaukee County | County | Milwaukee | | |
| Legal Description | Fleming Park Lot 19 BLK 3 | | | | | | |
| Assessor's Parcel # | 4410059000 | Tax Year | 2013 | R.E. Taxes \$ | 4,003 | | |
| Neighborhood Name | Fleming Park | Map Reference | 33340 | Census Tract | 1004.00 | | |
| Occupant | <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant | Special Assessments \$ | 1,404 | <input type="checkbox"/> PUD HOA \$ | <input type="checkbox"/> per year <input type="checkbox"/> per month | | |
| Property Rights Appraised | <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe) | | | | | | |
| Assignment Type | <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) Market Value | | | | | | |
| Lender/Client | N/A Address N/A | | | | | | |
| Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | |
| Report data source(s) used, offering price(s), and date(s). MetroMLS, Wire Data, & Assessor | | | | | | | |

| | | | | |
|---|------------------|--|---|----------------|
| I <input type="checkbox"/> did <input checked="" type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. This appraisal is for Market Value only. | | | | |
| Contract Price \$ | Date of Contract | Is the property seller the owner of public record? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Data Source(s) |
| Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | |
| If Yes, report the total dollar amount and describe the items to be paid. | | | | |

Note: Race and the racial composition of the neighborhood are not appraisal factors.

| Neighborhood Characteristics | | 2-4 Unit Housing Trends | | 2-4 Unit Housing | | Present Land Use % | |
|---|--|-------------------------|---|------------------|-------|--------------------|--------------|
| Location | <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural | Property Values | <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining | PRICE | AGE | One-Unit | 70 % |
| Built-Up | <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25% | Demand/Supply | <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input checked="" type="checkbox"/> Over Supply | \$ (000) | (yrs) | 2-4 Unit | 20 % |
| Growth | <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow | Marketing Time | <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths | 15 | Low | 30 | Multi-Family |
| Neighborhood Boundaries | Railroad Tracks to the north, 70th Street to the east, Railroad Tracks to the south, & 84th Street to the west. | | | 238 | High | 140 | Commercial |
| Neighborhood Description | There is good access to all necessary facilities such as shopping, employment, schools, public transportation, and recreation. | | | 104 | Pred. | 90 | Other |
| Market Conditions (including support for the above conclusions) | | See 1004MC | | | | | |

| | | | | | | | |
|---|---|-------------------------|--------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| Dimensions | 30 x 120 | Area | 3,600 sf | Shape | Rectangle | View | Residential |
| Specific Zoning Classification | RB-2 | Zoning Description | Residence District | | | | |
| Zoning Compliance | <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe) | | | | | | |
| Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe | | | | | | | |
| Utilities | Public | Other (describe) | Public | Other (describe) | Off-site Improvements - Type | Public | Private |
| Electricity | <input checked="" type="checkbox"/> | | Water | <input checked="" type="checkbox"/> | Street Concrete | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Gas | <input checked="" type="checkbox"/> | | Sanitary Sewer | <input checked="" type="checkbox"/> | Alley Concrete | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| FEMA Special Flood Hazard Area | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | FEMA Flood Zone | X | FEMA Map # | 55079C0069E | FEMA Map Date | 9/26/2008 |
| Are the utilities and/or off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe | | | | | | | |
| Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe | | | | | | | |
| The appraiser is not an expert in this field and has limited knowledge. For total knowledge in these areas the appraiser suggest a expert in these fields be called. | | | | | | | |

| General Description | | Foundation | | Exterior Description | | Interior | |
|--|---|--|------------------|--|---------------|--|---------------|
| Units | <input checked="" type="checkbox"/> Two <input type="checkbox"/> Three <input type="checkbox"/> Four | <input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space | Foundation Walls | Block/Average | Floors | Cpt/HW/Good | |
| <input type="checkbox"/> Accessory Unit (describe below) | | <input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement | Exterior Walls | Aluminum/Good | Walls | Plaster/Avg | |
| # of Stories | 2 # of bldgs. 1 | Basement Area | 792 sq.ft. | Roof Surface | Ash/Shing/Avg | Trim/Finish | Wood/Avg |
| Type | <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit | Basement Finish | Unfinished % | Gutters & Downspouts | Metal/Avg | Bath Floor | Ceramic/AvgGd |
| <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const. | | <input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump | | Window Type | Dbi Hung/Avg | Bath Wainscot | Ceramic/Avg |
| Design (Style) | Duplex | Evidence of <input type="checkbox"/> Infestation | | Storm Sash/Insulated | Yes/Average | Car Storage | |
| Year Built | 1924 | <input type="checkbox"/> Dampness <input type="checkbox"/> Settlement | | Screens | Yes/Average | <input type="checkbox"/> None | |
| Effective Age (Yrs) | 35 | Heating/Cooling | | Amenities | | <input type="checkbox"/> Driveway # of Cars | |
| Attic | <input type="checkbox"/> None | <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant | | <input type="checkbox"/> Fireplace(s) # 0 <input type="checkbox"/> Woodstove(s) # 0 | | Driveway Surface | |
| <input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs | | <input type="checkbox"/> Other Fuel Gas | | <input checked="" type="checkbox"/> Patio/Deck <input checked="" type="checkbox"/> Patio <input checked="" type="checkbox"/> Fence <input checked="" type="checkbox"/> Fence | | <input checked="" type="checkbox"/> Garage # of Cars | 2 |
| <input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle | | Cooling <input checked="" type="checkbox"/> Central Air Conditioning | | <input type="checkbox"/> Pool <input type="checkbox"/> Porch | | <input type="checkbox"/> Carport # of Cars | |
| <input type="checkbox"/> Finished <input type="checkbox"/> Heated | | <input type="checkbox"/> Individual <input type="checkbox"/> Other | | <input type="checkbox"/> Other | | <input type="checkbox"/> Att. <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Built-in | |
| # of Appliances | Refrigerator | Range/Oven | 1 | Dishwasher | Disposal | Microwave | Washer/Dryer |
| Unit # 1 contains: | 5 Rooms | 2 Bedrooms | | 1 Bath(s) | 881 | Square Feet of Gross Living Area | |
| Unit # 2 contains: | 3 Rooms | 1 Bedrooms | | 1 Bath(s) | 792 | Square Feet of Gross Living Area | |
| Unit # 3 contains: | Rooms | Bedrooms | | Bath(s) | | Square Feet of Gross Living Area | |
| Unit # 4 contains: | Rooms | Bedrooms | | Bath(s) | | Square Feet of Gross Living Area | |
| Additional features (special energy efficient items, etc.). It appears there is a water heater, a 100-amp electrical panel, central air, & a forced air furnace. | | | | | | | |
| Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The subject is in average condition. The flooring appears to be newer. The upstairs kitchen appears to be remodeled. The lower unit bathroom ceiling is peeling. There is also water in the basement (in the middle of south basement wall) | | | | | | | |

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| | |
|---|--|
| IMPROVEMENTS | Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe. |
| | The bathroom ceiling is peeling, the appraiser doesn't know where the water is coming from. The basement floor was wet by south wall (in the middle). The appraiser suggest an expert be called. The rear fence gate is broken. The gutter & siding on the garage need to be repaired. |
| | Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. |
| Is the property subject to rent control? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe | |

The following properties represent the most current, similar, and proximate comparable rental properties to the subject property. This analysis is intended to support the opinion of the market rent for the subject property.

| FEATURE | SUBJECT | COMPARABLE RENTAL # 1 | | | COMPARABLE RENTAL # 2 | | | COMPARABLE RENTAL # 3 | | | | | | | | | | | |
|-----------------------|---|---|----|--------------|---|----|--------------|---|--------|----------|----|----|--------------|--------|-----|--------------|----|-------|--------|
| Address | 1229 S 76th St West Allis, WI 53214 | 1204 S 73rd St West Allis, WI 53214 | | | 1217 S 73rd St West Allis, WI 53214 | | | 1737 S 71st St West Allis, WI 53214 | | | | | | | | | | | |
| Proximity to Subject | | .20 miles E | | | .19 miles E | | | .61 miles SE | | | | | | | | | | | |
| Current Monthly Rent | \$ 1,225 | \$ 1,225 | | | \$ 1,375 | | | \$ 1,350 | | | | | | | | | | | |
| Rent/Gross Bldg. Area | \$.73 sq.ft. | \$.87 sq.ft. | | | \$.81 sq.ft. | | | \$.74 sq.ft. | | | | | | | | | | | |
| Rent Control | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | | | | | |
| Data Source(s) | Inspection | MetroMLS# 1365715 | | | MetroMLS# 1357407 | | | MetroMLS# 1347379 | | | | | | | | | | | |
| Date of Lease(s) | None | MTM | | | 09/2014 | | | MTM | | | | | | | | | | | |
| Location | Residential | Residential | | | Residential | | | Residential | | | | | | | | | | | |
| Actual Age | 90 | 95 | | | 93 | | | 55 | | | | | | | | | | | |
| Condition | Average | Average Good | | | Good | | | Good | | | | | | | | | | | |
| Gross Building Area | 1,673 | 1,416 | | | 1,693 | | | 1,822 | | | | | | | | | | | |
| Unit Breakdown | Rm Count | | | Size Sq. Ft. | | | Monthly Rent | | | Rm Count | | | Size Sq. Ft. | | | Monthly Rent | | | |
| | Tot | Br | Ba | 1,673 | Tot | Br | Ba | 1,416 | 1,225 | Tot | Br | Ba | 1,693 | 1,375 | Tot | Br | Ba | 1,822 | 1,350 |
| Unit # 1 | 5 | 2 | 1 | 881 | 5 | 2 | 1 | 954 | \$ 725 | 6 | 3 | 1 | 1,033 | \$ 775 | 4 | 2 | 1 | 900 | \$ 750 |
| Unit # 2 | 3 | 1 | 1 | 792 | 3 | 1 | 1 | 462 | \$ 500 | 4 | 2 | 1 | 660 | \$ 600 | 4 | 2 | 1 | 922 | \$ 600 |
| Unit # 3 | | | | | | | | | | | | | | | | | | | |
| Unit # 4 | | | | | | | | | | | | | | | | | | | |
| Utilities Included | None | Water & Sewer | | | None | | | Water & Sewer | | | | | | | | | | | |

Analysis of rental data and support for estimated market rents for the individual subject units reported below (including the adequacy of the comparables, rental concessions, etc.) Rental characteristics of both listings and recent sales were considered to determine market rents. Rents for 2 bedroom units range from \$400-\$800. The comparables used were the best indicators of value at the time of the inspection. Appraiser used MetroMLS, newspaper, and knowledge of area for rents that were estimated, in this report.

Rent Schedule: The appraiser must reconcile the applicable indicated monthly market rents to provide an opinion of the market rent for each unit in the subject property.

| Unit # | Leases | | Actual Rents | | | | Opinion of Market Rent | | | |
|--|------------|----------|--------------------------------|-----------|-------------|-------------|--------------------------------|-------------|----------|--|
| | Lease Date | | Per Unit | | Total Rents | Per Unit | | Total Rents | | |
| | Begin Date | End Date | Unfurnished | Furnished | | Unfurnished | Furnished | | | |
| 1 | Vacant | Vacant | \$ 0 | \$ 0 | \$ 0 | \$ 725 | \$ 725 | \$ 725 | | |
| 2 | Vacant | Vacant | 0 | | 0 | 500 | | 500 | | |
| 3 | | | | | | | | | | |
| 4 | | | | | | | | | | |
| Comment on lease data Both units are vacant. | | | Total Actual Monthly Rent | | | \$ 0 | Total Gross Monthly Rent | | \$ 1,225 | |
| | | | Other Monthly Income (itemize) | | | \$ 0 | Other Monthly Income (itemize) | | \$ 0 | |
| | | | Total Actual Monthly Income | | | \$ 0 | Total Estimated Monthly Income | | \$ 1,225 | |

Utilities included in estimated rents Electric Water Sewer Gas Oil Trash collection Cable Other

Comments on actual or estimated rents and other monthly income (including personal property) Rents are estimated giving consideration to location, condition, and overall rental amenities.

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s) Milwaukee County

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data Source(s) Metro MLS, Assessor, & Wire Data

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

| ITEM | SUBJECT | COMPARABLE SALE # 1 | COMPARABLE SALE # 2 | COMPARABLE SALE # 3 |
|----------------------------------|----------------------|---------------------|---------------------|---------------------|
| Date of Prior Sale/Transfer | Tax Foreclosure | | | |
| Price of Prior Sale/Transfer | 0 | | | |
| Data Source(s) | per Milwaukee County | per MetroMLS | per MetroMLS | per MetroMLS |
| Effective Date of Data Source(s) | 03/01/2014 | 06/25/2014 | 06/25/2014 | 06/25/2014 |

Analysis of prior sale or transfer history of the subject property and comparable sales The subject transfer was a tax foreclosure.

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There are 12 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 69,900 to \$ 149,900

There are 1 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 97,000 to \$ 97,000

| FEATURE | SUBJECT | COMPARABLE SALE # 1 | | | COMPARABLE SALE # 2 | | | COMPARABLE SALE # 3 | | |
|--|---|---|-----------------|--|---|------------------|-------------|---|-----------------|--|
| Address | 1229 S 76th St West Allis, WI 53214 | 2336 S 75th St West Allis, WI 53219 | | | 1718 S 71st St West Allis, WI 53214 | | | 2507 S 60th St West Allis, WI 53219 | | |
| Proximity to Subject | | 1.18 miles S | | | 0.59 miles SE | | | 1.71 miles SE | | |
| Sale Price | \$ | \$ 105,000 | | | \$ 97,000 | | | \$ 125,500 | | |
| Sale Price/Gross Bldg. Area | \$ sq.ft. | \$ 70.47 sq.ft. | | | \$ 62.91 sq.ft. | | | \$ 64.10 sq.ft. | | |
| Gross Monthly Rent | \$ 1,225 | \$ 1,500 | | | \$ 1,200 | | | \$ 1,400 | | |
| Gross Rent Multiplier | | 70.00 | | | 80.83 | | | 89.64 | | |
| Price per Unit | \$ | \$ 52,500 | | | \$ 48,500 | | | \$ 62,750 | | |
| Price per Room | \$ | \$ 9,545 | | | \$ 13,857 | | | \$ 12,550 | | |
| Price per Bedroom | \$ | \$ 26,250 | | | \$ 32,333 | | | \$ 31,375 | | |
| Rent Control | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| Data Source(s) | | MetroMLS# 1323073; 109 DOM | | | MetroMLS# 1336045; 34 DOM | | | MetroMLS# 1331235; 223 DOM | | |
| Verification Source(s) | | MetroMLS/Assessor | | | MetroMLS/Assessor | | | MetroMLS/Assessor | | |
| VALUE ADJUSTMENTS | DESCRIPTION | DESCRIPTION | +(-) Adjustment | | DESCRIPTION | +(-) Adjustment | | DESCRIPTION | +(-) Adjustment | |
| Sale or Financing Concessions | | Arms Length Conv; 0 | | | Arms Length Conv; 0 | | | Arms Length Conv; 0 | | |
| Date of Sale/Time | | 09/27/2013 | | | 11/26/2013 | | | 04/30/2014 | | |
| Location | Residential | Residential | | | Residential | | | Residential | | |
| Leasehold/Fee Simple | Fee Simple | Fee Simple | | | Fee Simple | | | Fee Simple | | |
| Site | 3,600 sf | 3600 sf | | | 5400 sf | 0 | | 8646 sf | | |
| View | Residential | Residential | | | Residential | | | Residential | | |
| Design (Style) | Duplex | Duplex | | | Duplex | | | Duplex | | |
| Quality of Construction | Aluminum | Aluminum | | | Aluminum | | | Aluminum | | |
| Actual Age | 90 | 86 | 0 | | 66 | 0 | | 88 | 0 | |
| Condition | Average | Average Good | -18,000 | | Average Good | -18,000 | | Average Good | -18,000 | |
| Gross Building Area | 1,673 | 1,490 | +1,830 | | 1,542 | +1,310 | | 1,958 | -2,850 | |
| Unit Breakdown | Total Bdrms Baths | Total Bdrms Baths | | | Total Bdrms Baths | | | Total Bdrms Baths | | |
| Unit # 1 | 5 2 1 | 6 2 1 | 0 | | 4 2 1 | | | 5 2 1 | | |
| Unit # 2 | 3 1 1 | 5 2 1 | 0 | | 3 1 1 | | | 5 2 1 | | |
| Unit # 3 | | | | | | | | | | |
| Unit # 4 | | | | | | | | | | |
| Basement Description | Full | Full | | | Full | | | Full | | |
| Basement Finished Rooms | Unfinished | Unfinished | | | Unfinished | | | Unfinished | | |
| Functional Utility | Average | Average | | | Average | | | Average | | |
| Heating/Cooling | FA/Cent(Both) | FA/Cent(Lower) | +2,000 | | FA/None | +4,000 | | FA/Cent(Both) | | |
| Energy Efficient Items | None | None | | | None | | | None | | |
| Parking On/Off Site | 2 Car Garage | 2 Car Garage | | | 2 Car Garage | | | 2 Car Garage | | |
| Porch/Patio/Deck | Patio | None | +1,000 | | Porch | | | Porch | | |
| Fireplace | None | None | | | None | | | None | | |
| Fence | Fence | None | +500 | | None | +500 | | Fence | | |
| Net Adjustment (Total) | | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ -12,670 | | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ -12,190 | | <input type="checkbox"/> + <input checked="" type="checkbox"/> - | \$ -20,850 | |
| Adjusted Sale Price of Comparables | | Net Adj. 12.1 % | | | Net Adj. 12.6 % | | | Net Adj. 16.6 % | | |
| | | Gross Adj. 22.2 % | \$ 92,330 | | Gross Adj. 24.5 % | \$ 84,810 | | Gross Adj. 16.6 % | \$ 104,650 | |
| Adjusted Price Per Unit (Adj. SP Comp / # of Comp Units) | \$ | 46,165 | | | \$ | 42,405 | | \$ | 52,325 | |
| Adjusted Price Per Room (Adj. SP Comp / # of Comp Rooms) | \$ | 8,394 | | | \$ | 12,116 | | \$ | 10,465 | |
| Adjusted Price Per Bedrm (Adj. SP Comp / # of Comp Bedrooms) | \$ | 23,083 | | | \$ | 28,270 | | \$ | 26,163 | |
| Value per Unit | \$ 42,000 X 2 | Units = \$ | 84,000 | | Value per GBA | \$ 62.91 X 1,673 | GBA = \$ | 105,248 | | |
| Value per Rm. | \$ 10,500 X 8 | Rooms = \$ | 84,000 | | Value per Bdrms. | \$ 27,937 X 3 | Bdrms. = \$ | 83,811 | | |

Summary of Sales Comparison Approach including reconciliation of the above indicators of value. Data is per MLS/Assessor data, and discussions with brokers and owners when possible. Adjustments in the room grid reflect differences in the number of bathrooms only. "DOM" refers to days on market. The comparable sales used above are the best currently available and deemed adequate, and appropriately adjusted for all pertinent differences. All other adjustments as shown and are based upon analysis of market reactions to the various attributes and the appraiser's interpretation of these attributes. All comparables were considered when arriving at a value conclusion. Comparable 3 net is high, because of the adjustment for condition.

Indicated Value by Sales Comparison Approach \$ 85,000

Total gross monthly rent \$ 1,225 X gross rent multiplier (GRM) 75 = \$ 91,875 Indicated value by the Income Approach
 Comments on income approach including reconciliation of the GRM The above GRM is from 70.00 to 89.64.

Indicated Value by: Sales Comparison Approach \$ 85,000 Income Approach \$ 91,875 Cost Approach (if developed) \$

The sales approach is the most reliable indicator. The income approach was considered.

This appraisal is made "as is", subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: No warranty implied regarding code compliance, foundation, mechanical systems or roof. If doubt persist, then an expert should be consulted.
 Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 85,000, as of 06/19/2014, which is the date of inspection and the effective date of this appraisal.

Small Residential Income Property Appraisal Report

File # 0000518

This report form is designed to report an appraisal of a two- to four-unit property, including a two- to four-unit property in a planned unit development (PUD). A two- to four-unit property located in either a condominium or cooperative project requires the appraiser to inspect the project and complete the project information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements, including each of the units. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Small Residential Income Property Appraisal Report

File # 0000518

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property, including all units. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison and income approaches to value. I have adequate market data to develop reliable sales comparison and income approaches to value for this appraisal assignment. I further certify that I considered the cost approach to value but did not develop it, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Small Residential Income Property Appraisal Report

File # 0000518

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature 
 Name Kurt Brooks
 Company Name First Stop Appraisal LLC
 Company Address 3859 N 55th St, Milwaukee, WI 53216
 Telephone Number (414) 349-1674
 Email Address kurt@firststopappraisal.com
 Date of Signature and Report 06/27/2014
 Effective Date of Appraisal 06/19/2014
 State Certification # 1790-9
 or State License # _____
 or Other (describe) _____ State # _____
 State WI
 Expiration Date of Certification or License 12/14/2015

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED
1229 S 76th St
West Allis, WI 53214

APPRAISED VALUE OF SUBJECT PROPERTY \$ 85,000

SUBJECT PROPERTY

Did not inspect subject property
 Did inspect exterior of subject property from street
 Date of Inspection _____
 Did inspect interior and exterior of subject property
 Date of Inspection _____

LENDER/CLIENT

Name _____
 Company Name N/A
 Company Address N/A
 Email Address _____

COMPARABLE SALES

Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
 Date of Inspection _____

Operating Income Statement

0000518

One- to Four-Family Investment Property and Two- to Four-Family Owner-Occupied Property

Property Address

1229 S 76th St
Street

West Allis
City

WI
State

53214
Zip Code

General Instructions: This form is to be prepared jointly by the loan applicant, the appraiser, and the lender's underwriter. The applicant must complete the following schedule indicating each unit's rental status, lease expiration date, current rent, market rent, and the responsibility for utility expenses. Rental figures must be based on the rent for an "unfurnished" unit.

| | Currently Rented | Expiration Date | Current Rent Per Month | Market Rent Per Month | Utility Expense | Paid By Owner | Paid By Tenant |
|------------|---|-----------------|------------------------|-----------------------|-----------------|-------------------------------------|--------------------------|
| Unit No. 1 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Vacant | \$ 0 | \$ 725 | Electricity | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Unit No. 2 | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | Vacant | \$ 0 | \$ 500 | Gas | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Unit No. 3 | Yes <input type="checkbox"/> No <input type="checkbox"/> | | \$ | \$ | Fuel Oil | <input type="checkbox"/> | <input type="checkbox"/> |
| Unit No. 4 | Yes <input type="checkbox"/> No <input type="checkbox"/> | | \$ | \$ | Fuel (Other) | <input type="checkbox"/> | <input type="checkbox"/> |
| Total | | | \$ | \$ 1,225 | Water/Sewer | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | | | | | Trash Removal | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

The applicant should complete all of the income and expense projections and for existing properties provide actual year-end operating statements for the past two years (for new properties the applicant's projected income and expenses must be provided) This Operating Income Statement and any previous operating statements the applicant provides must then be sent to the appraiser for review, comment, and/or adjustments next to the applicant's figures (e.g. Applicant/Appraiser 288/300). If the appraiser is retained to complete the form instead of the applicant, the lender must provide to the appraiser the aforementioned operating statements, mortgage insurance premium, HOA dues, leasehold payments, subordinate financing, and/or any other relevant information as to the income and expenses of the subject property received from the applicant to substantiate the projections. The underwriter should carefully review the applicant's/appraiser's projections and the appraiser's comments concerning those projections. The underwriter should make any final adjustments that are necessary to more accurately reflect any income or expense items that appear unreasonable for the market. (Real estate taxes and insurance on these types of properties are included in PITI and not calculated as an annual expense item) Income should be based on the current rents, but should not exceed market rents. When there are no current rents because the property is proposed, new, or currently vacant, market rents should be used.

Annual Income and Expense Projection for Next 12 months

| | By Applicant/Appraiser | Adjustments by Lender's Underwriter |
|---|------------------------|-------------------------------------|
| Income (Do not include income for owner-occupied units) | | |
| Gross Annual Rental (from unit(s) to be rented) (Market) | \$ 14,700 | \$ |
| Other Income (include sources) | + | + |
| Total | \$ 14,700 | \$ |
| Less Vacancy/Rent Loss | - 294 (2%) | - (%) |
| Effective Gross Income | \$ 14,406 | \$ |
| Expenses (Do not include expenses for owner-occupied units) | | |
| Electricity | 1,200 | |
| Gas | 3,200 | |
| Fuel Oil | | |
| Fuel (Type -) | | |
| Water/Sewer | 600 | |
| Trash Removal | 400 | |
| Pest Control | | |
| Other Taxes or Licenses | | |
| Casual Labor | | |
| This includes the costs for public area cleaning, snow removal, etc., even though the applicant may not elect to contract for such services. | | |
| Interior Paint/Decorating | 50 | |
| This includes the costs of contract labor and materials that are required to maintain the interiors of the living unit. | | |
| General Repairs/Maintenance | 75 | |
| This includes the costs of contract labor and materials that are required to maintain the public corridors, stairways, roofs, mechanical systems, grounds, etc. | | |
| Management Expenses | 1,000 | |
| These are the customer expenses that a professional management company would charge to manage the property. | | |
| Supplies | 25 | |
| This includes the costs of items like light bulbs, janitorial supplies, etc. | | |
| Total Replacement Reserves - See Schedule on Pg. 2 | 1,022 | |
| Miscellaneous | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Operating Expenses | \$ 7,572 | \$ |

Replacement Reserve Schedule

Adequate replacement reserves must be calculated regardless of whether actual reserves are provided for on the owner's operating statements or are customary in the local market. This represents the total average yearly reserves. Generally, all equipment and components that have a remaining life of more than one year - such as refrigerators, stoves, clothes washers/dryers, trash compactors, furnaces, roofs, and carpeting, etc. - should be expensed on a replacement cost basis.

| Equipment | Replacement Cost | Remaining Life | By Applicant/ Appraiser | Lender Adjustments |
|---|-------------------------------------|------------------|-------------------------|--------------------|
| Stoves/Ranges | @ \$ _____ ea. + _____ Yrs. x _____ | Units = \$ _____ | \$ _____ | \$ _____ |
| Refrigerators | @ \$ _____ ea. + _____ Yrs. x _____ | Units = \$ _____ | \$ _____ | \$ _____ |
| Dishwashers | @ \$ _____ ea. + _____ Yrs. x _____ | Units = \$ _____ | \$ _____ | \$ _____ |
| A/C Units | @ \$ 3,000 ea. + 15 Yrs. x 1 | Units = \$ 200 | \$ _____ | \$ _____ |
| C. Washer/Dryers | @ \$ _____ ea. + _____ Yrs. x _____ | Units = \$ _____ | \$ _____ | \$ _____ |
| HW Heaters | @ \$ 450 ea. + 15 Yrs. x 2 | Units = \$ 60 | \$ _____ | \$ _____ |
| Furnace(s) | @ \$ 6,000 ea. + 30 Yrs. x 2 | Units = \$ 400 | \$ _____ | \$ _____ |
| (Other) Fan Hood | @ \$ 180 ea. + 15 Yrs. x 1 | Units = \$ 12 | \$ _____ | \$ _____ |
| Roof | @ \$ 7,000 + 30 Yrs. x One Bldg. = | \$ 233 | \$ _____ | \$ _____ |
| Carpeting (Wall to Wall) | | Remaining Life | | |
| (Units) 500 Total Sq. Yds. @ \$ 3.5 Per Sq. Yd. + 15 Yrs. = | | \$ 117 | \$ _____ | \$ _____ |
| (Public Areas) _____ Total Sq. Yds. @ \$ _____ Per Sq. Yd. + _____ Yrs. = | | \$ _____ | \$ _____ | \$ _____ |
| Total Replacement Reserves. (Enter on Pg. 1) | | | \$ 1,022 | \$ _____ |

Operating Income Reconciliation

| | | | | | | |
|--------------------------|---|--------------------------|---|------------------|--------|--------------------------|
| \$ 14,406 | - | \$ 7,572 | = | \$ 6,834 | + 12 = | \$ 570 |
| Effective Gross Income | | Total Operating Expenses | | Operating Income | | Monthly Operating Income |
| \$ 570 | - | \$ _____ | = | \$ _____ | | |
| Monthly Operating Income | | Monthly Housing Expense | | Net Cash Flow | | |

(Note: Monthly Housing Expense includes principal and interest on the mortgage, hazard insurance premiums, real estate taxes, mortgage insurance premiums, HOA dues, leasehold payments, and subordinate financing payments.)

Underwriter's instructions for 2-4 Family Owner-Occupied Properties

- If Monthly Operating Income is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Monthly Operating Income is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total Monthly Housing Expense for the subject property to the borrower's stable monthly income.

Underwriter's instructions for 1-4 Family Investment Properties

- If Net Cash Flow is a positive number, enter as "Net Rental Income" in the "Gross Monthly Income" section of Freddie Mac Form 65/Fannie Mae Form 1003. If Net Cash Flow is a negative number, it must be included as a liability for qualification purposes.
- The borrower's monthly housing expense-to-income ratio must be calculated by comparing the total monthly housing expense for the borrower's primary residence to the borrower's stable monthly income.

Appraiser's Comments (Including sources for data and rationale for the projections)

Kurt Brooks _____  _____ 06/27/2014
 Appraiser Name Appraiser Signature Date

Underwriter's Comments and Rationale for Adjustments

 Underwriter Name Underwriter Signature Date

Market Conditions Addendum to the Appraisal Report

File No. 0000518

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address **1229 S 76th St** City **West Allis** State **WI** ZIP Code **53214**

Borrower **N/A**

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

| Inventory Analysis | Prior 7-12 Months | Prior 4-6 Months | Current - 3 Months | Overall Trend | | |
|---|---|------------------|--------------------|---|--|--|
| Total # of Comparable Sales (Settled) | 15 | 3 | 7 | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input checked="" type="checkbox"/> Declining |
| Absorption Rate (Total Sales/Months) | 2.50 | 1.00 | 2.33 | <input type="checkbox"/> Increasing | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Total # of Comparable Active Listings | 17 | 22 | 50 | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input checked="" type="checkbox"/> Increasing |
| Months of Housing Supply (Total Listings/Ab.Rate) | 6.8 | 22.0 | 21.5 | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input checked="" type="checkbox"/> Increasing |
| Median Sale & List Price, DOM, Sale/List % | Prior 7-12 Months | Prior 4-6 Months | Current - 3 Months | Overall Trend | | |
| Median Comparable Sale Price | 131,500 | 140,000 | 130,000 | <input type="checkbox"/> Increasing | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Median Comparable Sales Days on Market | 60 | 127 | 141 | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input checked="" type="checkbox"/> Increasing |
| Median Comparable List Price | 144,900 | 139,700 | 139,900 | <input type="checkbox"/> Increasing | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Median Comparable Listings Days on Market | 252 | 213 | 61.5 | <input checked="" type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Median Sale Price as % of List Price | 98 | 94 | 96 | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input checked="" type="checkbox"/> Declining |
| Seller-(developer, builder, etc.)paid financial assistance prevalent? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | <input type="checkbox"/> Declining | <input checked="" type="checkbox"/> Stable | <input type="checkbox"/> Increasing |

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). **No appearance of prevalent discounts, buy downs, or other concessions as of the effective appraisal date.**

Are foreclosure sales (REO sales) a factor in the market? Yes No If yes, explain (including the trends in listings and sales of foreclosed properties).

Cite data sources for above information. **Metro MLS**

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

The appraiser knows the market is stable thru the 1004MC of comparables in the city of West Allis, which is attached to this appraisal. The 1004MC gives a better picture of the market. Due to the lack of sales, in the last 12 months, in the subject neighborhood the appraiser used comparables from the whole City of West Allis. The City of West Allis is a buyer's market.

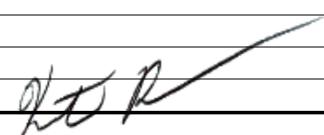
If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

| Subject Project Data | Prior 7-12 Months | Prior 4-6 Months | Current - 3 Months | Overall Trend | | |
|--|-------------------|------------------|--------------------|-------------------------------------|---------------------------------|-------------------------------------|
| Total # of Comparable Sales (Settled) | | | | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Absorption Rate (Total Sales/Months) | | | | <input type="checkbox"/> Increasing | <input type="checkbox"/> Stable | <input type="checkbox"/> Declining |
| Total # of Active Comparable Listings | | | | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input type="checkbox"/> Increasing |
| Months of Unit Supply (Total Listings/Ab.Rate) | | | | <input type="checkbox"/> Declining | <input type="checkbox"/> Stable | <input type="checkbox"/> Increasing |

Are foreclosure sales (REO sales) a factor in the project? Yes No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature 
 Appraiser Name **Kurt Brooks**
 Company Name **First Stop Appraisal LLC**
 Company Address **3859 N 55th St, Milwaukee, WI 53216**
 State License/Certification # **1790-9** State **WI**
 Email Address **kurt@firststopappraisal.com**

Signature _____
 Supervisory Appraiser Name _____
 Company Name _____
 Company Address _____
 State License/Certification # _____ State _____
 Email Address _____

Supplemental Addendum

File No. 0000518

| | | | | | |
|------------------|----------------|--------|-----------|-------|-------------------|
| Borrower | N/A | | | | |
| Property Address | 1229 S 76th St | | | | |
| City | West Allis | County | Milwaukee | State | WI Zip Code 53214 |
| Lender/Client | N/A | | | | |

Economic Life:

Cost estimate based on professional cost without discounts or owner supplied labor/materials. Physical Depreciation Calculated Using the Economic Age/Life Method: Effective Age + Remaining Economic Life = Total Economic Life. Physical Depreciation Estimate Calculated by Dividing Effective Age by the Total Economic Life and Multiplying the Result by the "Total Estimated Cost New". The Estimated Remaining Economic Life = 45 Years.

Subject:

Unit 1:

The living room has carpet flooring, the 2 bedrooms have hardwood flooring, the kitchen has hardwood flooring & wood cabinets, the bathroom has ceramic flooring & wainscot.

Unit 2:

The living room has carpet flooring, 1 bedroom has carpet flooring, the kitchen has hardwood flooring, & the bathroom has vinyl flooring & fiberglass wainscot.

The subject also has a 2 car attached garage, a patio, & fenced in backyard.

The special tax assessment is for the water bill, & it's not every year.

Predominant Value:

The subject market value is lower than the predominant value, & it's not a under improvement. There is a lack of residences that sold, in the last 12 months, in the subject's neighborhood with similar condition & GLA. The subject conforms to the neighborhood, & there's no effect on the subject's marketability.

Air Compliance Statement:

"No employee, director, officer, or agent of the lender, or any other third party acting as joint venture partner, independent contractor, appraisal management company, or partner on behalf of the lender, shall influence or attempt to influence the development, reporting, result, or review of an appraisal through coercion, extortion, collusion, compensation, instruction, inducement, intimidation, bribery, or in any other manner...."

I have not been contacted by anyone other than the intended user (lender/client as identified on the first page of the report), borrower, or designated contact to make an appointment to enter the property. I agree to immediately report any unauthorized contacts either personally by phone or electronically to Solutionstar Settlement Services."

I haven't performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the 3 year period immediately preceding acceptance of this assignment.

Exposure Time:

The subject would be on the market between 60 to 180 days.

Time:

The appraiser counts 3 months as 90 days.

Comparables:

The appraiser used a Map search in MLS for active listings & sold comparables (up to a year old).

The appraiser didn't make any adjustment for age, because the comparables & subject have similar ages.

The appraiser didn't make any adjustment for site, because the difference wasn't large enough.

The appraiser couldn't bracket the condition, because of the lack of residences with similar condition, & GLA.

The appraiser didn't make any adjustments for sheds, because the appraiser doesn't know if the comparables sheds are anchored.

The appraiser labeled energy items as none, because the appraiser didn't inspect the comparables interior.

Signature 
Name Kurt Brooks
Date Signed 06/27/2014
State Certification # 1790-9 State WI
Or State License # _____ State _____

Signature _____
Name _____
Date Signed _____
State Certification # _____ State _____
Or State License # _____ State _____

Comparable Search Data

File No. 0000518

| | | | | | |
|------------------|----------------|------------------|----------|----------------|--|
| Borrower | N/A | | | | |
| Property Address | 1229 S 76th St | | | | |
| City | West Allis | County Milwaukee | State WI | Zip Code 53214 | |
| Lender/Client | N/A | | | | |

Comparable Search Data Parameters:

The appraiser used a map search of Railroad Tracks to the north, 70th Street to the east, Railroad Tracks to the south, & 84th Street to the west for the subject within 12 months, duplexes to 3 bedrooms.

Across the board adjustments:

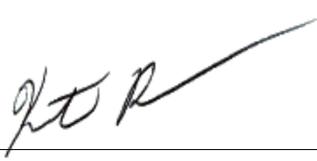
The appraiser used comparable sales market analysis, & own knowledge of the area to determine adjustment amounts.

Dated Comparables:

The subject used comparables 2 & 3, because of the lack of sold residences in the last 12 months, in the subject's neighborhood, that are similar in GLA, & condition.

Comparables Over .5 Miles:

The subject used comparables 1, 2, & 3, because of the lack of sold residences in the last 12 months, in the subject's neighborhood, that are similar in GLA, & condition. Comparables 1 & 3 are from a competing market. Crossing of major roads have no effect on the subject's marketability.

Signature 
 Name Kurt Brooks
 Date Signed 06/27/2014
 State Certification # 1790-9 State WI
 Or State License # _____ State _____

Signature _____
 Name _____
 Date Signed _____
 State Certification # _____ State _____
 Or State License # _____ State _____

Subject Photo Page

| | | | | |
|------------------|----------------|------------------|----------|----------------|
| Borrower | N/A | | | |
| Property Address | 1229 S 76th St | | | |
| City | West Allis | County Milwaukee | State WI | Zip Code 53214 |
| Lender/Client | N/A | | | |



Subject Water Heater & Furnace

1229 S 76th St
 Sales Price
 Gross Building Area 1,673
 Age 90



Subject Crawl Space



Subject Water Heater

Subject Photo Page

| | | | | | |
|------------------|----------------|--------|-----------|-------|-------------------|
| Borrower | N/A | | | | |
| Property Address | 1229 S 76th St | | | | |
| City | West Allis | County | Milwaukee | State | WI Zip Code 53214 |
| Lender/Client | N/A | | | | |

Subject Electrical

1229 S 76th St
Sales Price
Gross Building Area 1,673
Age 90



Subject Living Room



Subject Dining Room



Subject Photo Page

| | | | | | |
|------------------|----------------|--------|-----------|-------|-------------------|
| Borrower | N/A | | | | |
| Property Address | 1229 S 76th St | | | | |
| City | West Allis | County | Milwaukee | State | WI Zip Code 53214 |
| Lender/Client | N/A | | | | |



Subject Bedroom

1229 S 76th St
Sales Price
Gross Building Area 1,673
Age 90



Subject Kitchen



Subject Kitchen

Subject Photo Page

| | | | | | |
|------------------|----------------|--------|-----------|-------|-------------------|
| Borrower | N/A | | | | |
| Property Address | 1229 S 76th St | | | | |
| City | West Allis | County | Milwaukee | State | WI Zip Code 53214 |
| Lender/Client | N/A | | | | |



Subject Bedroom

1229 S 76th St
Sales Price
Gross Building Area 1,673
Age 90



Subject Bathroom



Subject Bathroom Ceiling

Subject Photo Page

| | | | | | | | |
|------------------|----------------|--------|-----------|-------|----|----------|-------|
| Borrower | N/A | | | | | | |
| Property Address | 1229 S 76th St | | | | | | |
| City | West Allis | County | Milwaukee | State | WI | Zip Code | 53214 |
| Lender/Client | N/A | | | | | | |

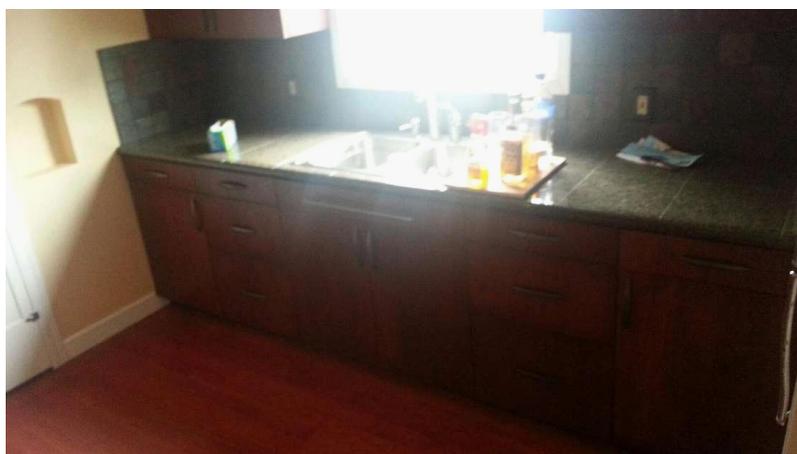


1231 Living Room

1229 S 76th St
Sales Price
Gross Building Area 1,673
Age 90



1231 Dining Room



Subject Kitchen

Subject Photo Page

| | | | | | | | |
|------------------|----------------|--------|-----------|-------|----|----------|-------|
| Borrower | N/A | | | | | | |
| Property Address | 1229 S 76th St | | | | | | |
| City | West Allis | County | Milwaukee | State | WI | Zip Code | 53214 |
| Lender/Client | N/A | | | | | | |



1231 Kitchen

1229 S 76th St
Sales Price
Gross Building Area 1,673
Age 90



Subject Bathroom



Subject Bathroom

Subject Photo Page

| | | | | | |
|------------------|----------------|--------|-----------|-------|-------------------|
| Borrower | N/A | | | | |
| Property Address | 1229 S 76th St | | | | |
| City | West Allis | County | Milwaukee | State | WI Zip Code 53214 |
| Lender/Client | N/A | | | | |



Subject Furnace

1229 S 76th St
Sales Price
Gross Building Area 1,673
Age 90



Subject Garage



Subject Garage

Subject Photo Page

| | | | | | |
|------------------|----------------|--------|-----------|-------|-------------------|
| Borrower | N/A | | | | |
| Property Address | 1229 S 76th St | | | | |
| City | West Allis | County | Milwaukee | State | WI Zip Code 53214 |
| Lender/Client | N/A | | | | |



Subject Rear

1229 S 76th St
Sales Price
Gross Building Area 1,673
Age 90



Subject Rear



Subject South Side

Subject Photo Page

| | | | | | |
|------------------|----------------|--------|-----------|-------|-------------------|
| Borrower | N/A | | | | |
| Property Address | 1229 S 76th St | | | | |
| City | West Allis | County | Milwaukee | State | WI Zip Code 53214 |
| Lender/Client | N/A | | | | |



Subject South Front

1229 S 76th St
Sales Price
Gross Building Area 1,673
Age 90



Subject North Side



Subject Front

Subject Photo Page

| | | | | | |
|------------------|----------------|--------|-----------|-------|-------------------|
| Borrower | N/A | | | | |
| Property Address | 1229 S 76th St | | | | |
| City | West Allis | County | Milwaukee | State | WI Zip Code 53214 |
| Lender/Client | N/A | | | | |

Subject Street

1229 S 76th St
Sales Price
Gross Building Area 1,673
Age 90



Subject Street



Comparable Photo Page

| | | | | | |
|------------------|----------------|------------------|----------|----------------|--|
| Borrower | N/A | | | | |
| Property Address | 1229 S 76th St | | | | |
| City | West Allis | County Milwaukee | State WI | Zip Code 53214 | |
| Lender/Client | N/A | | | | |



Comparable 1

2336 S 75th St
 Sales Price 105,000
 G.B.A. 1,490
 Age/Yr. Blt. 86



Comparable 2

1718 S 71st St
 Sales Price 97,000
 G.B.A. 1,542
 Age/Yr. Blt. 66

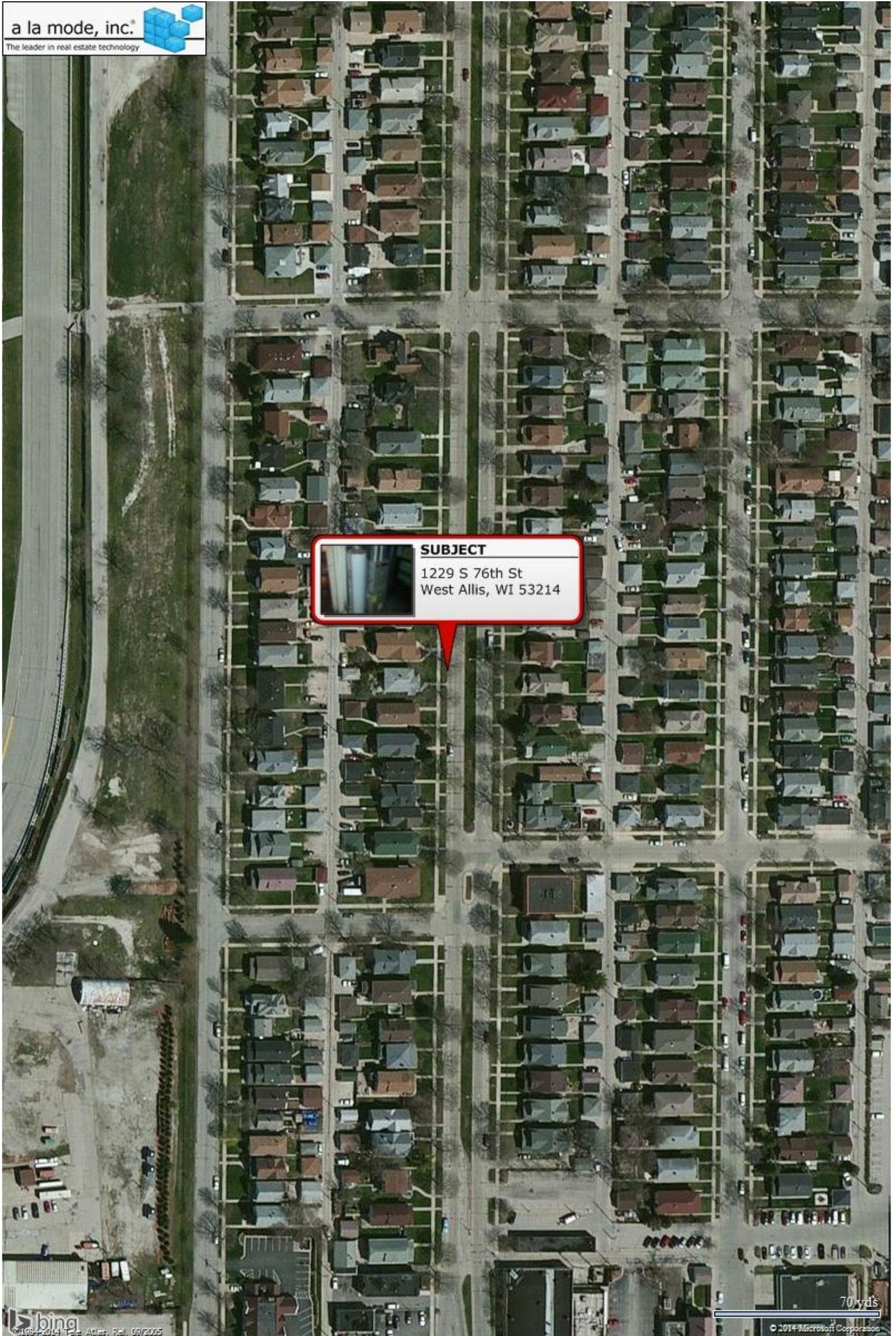


Comparable 3

2507 S 60th St
 Sales Price 125,500
 G.B.A. 1,958
 Age/Yr. Blt. 88

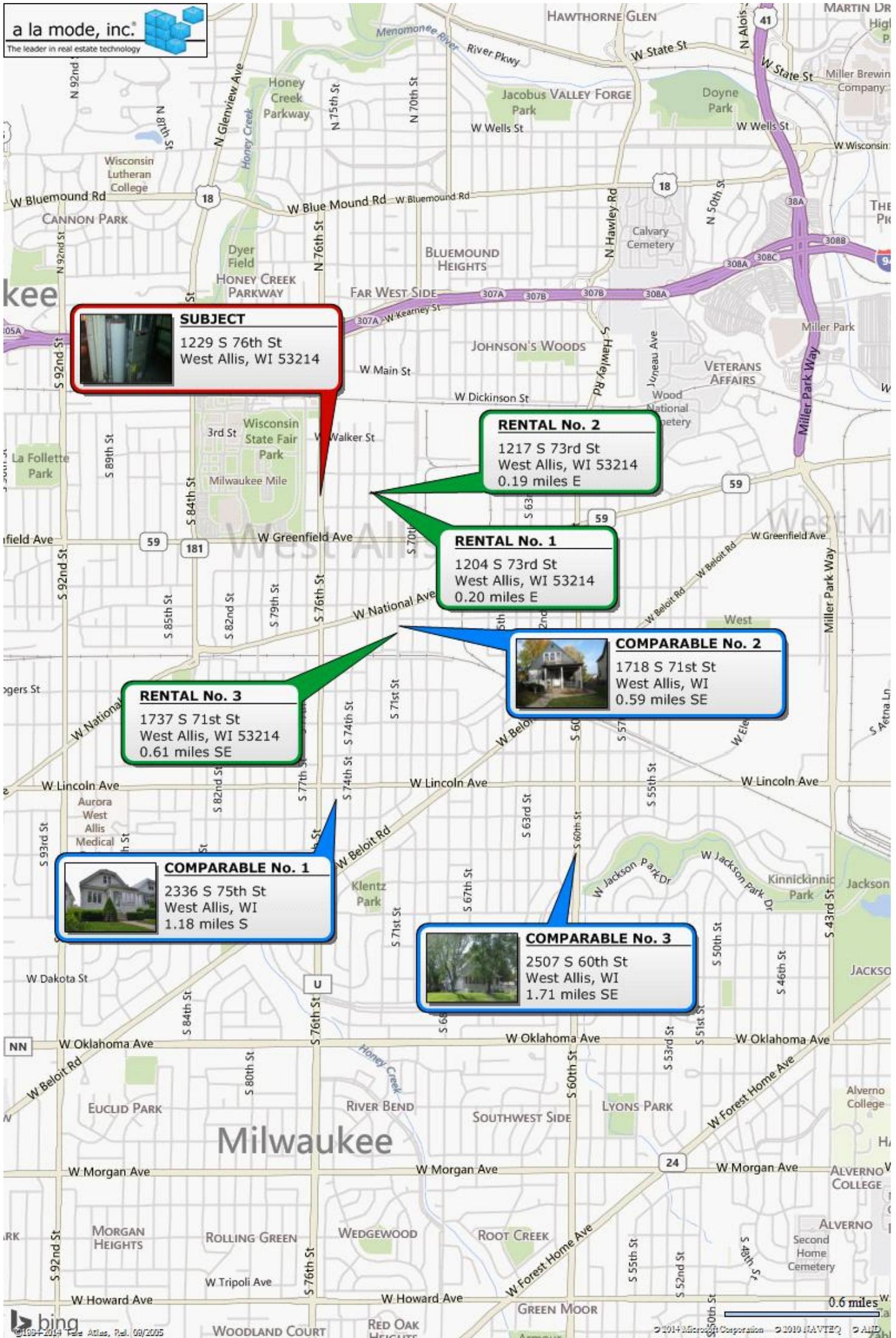
Aerial Map

| | | | | | | | |
|------------------|----------------|--------|-----------|-------|----|----------|-------|
| Borrower | N/A | | | | | | |
| Property Address | 1229 S 76th St | | | | | | |
| City | West Allis | County | Milwaukee | State | WI | Zip Code | 53214 |
| Lender/Client | N/A | | | | | | |



Aerial Map

| | | | | | | | |
|------------------|----------------|--------|-----------|-------|----|----------|-------|
| Borrower | N/A | | | | | | |
| Property Address | 1229 S 76th St | | | | | | |
| City | West Allis | County | Milwaukee | State | WI | Zip Code | 53214 |
| Lender/Client | N/A | | | | | | |

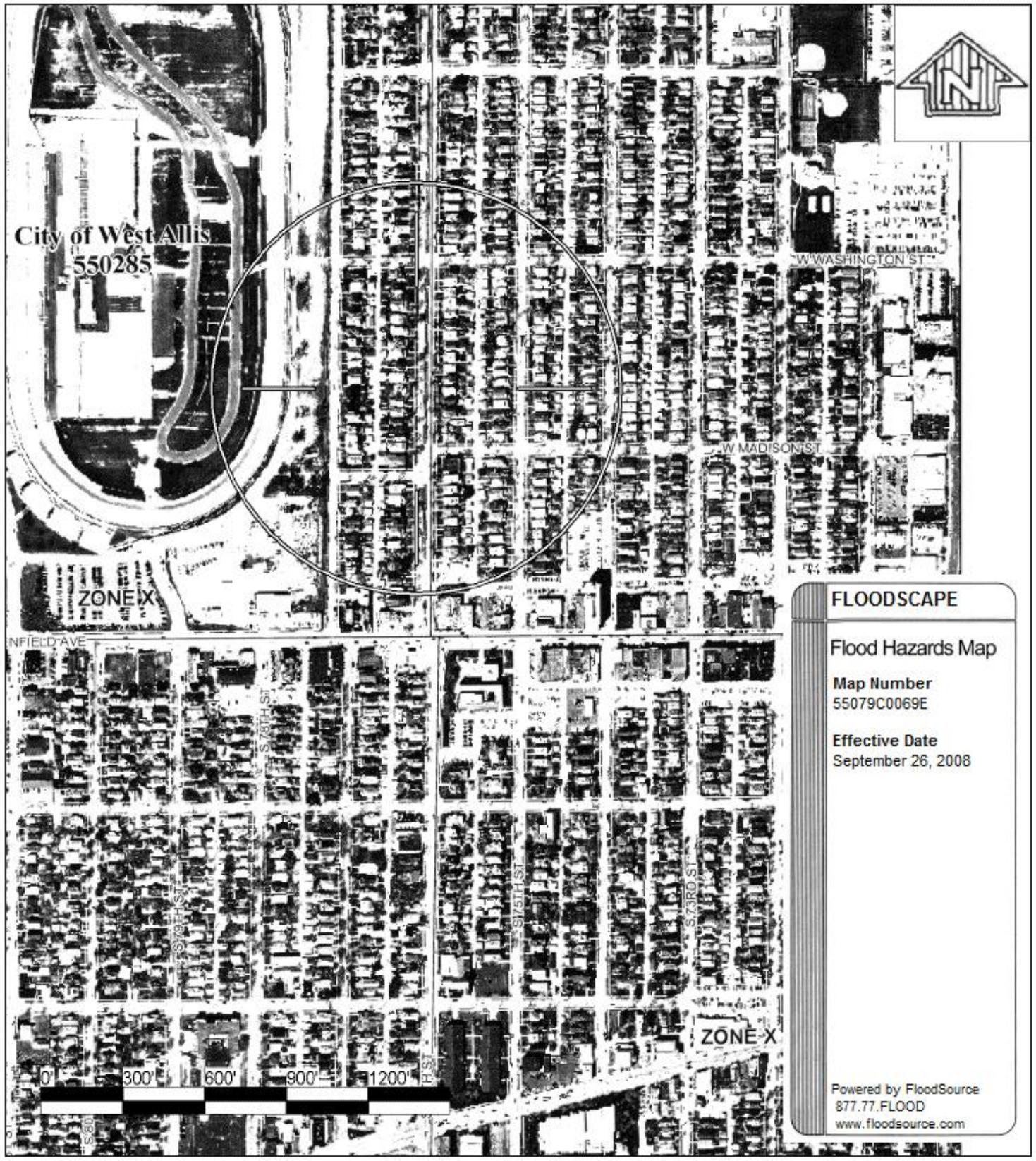


Flood Map

| | | | | | | | |
|------------------|----------------|--------|-----------|-------|----|----------|-------|
| Borrower | N/A | | | | | | |
| Property Address | 1229 S 76th St | | | | | | |
| City | West Allis | County | Milwaukee | State | WI | Zip Code | 53214 |
| Lender/Client | N/A | | | | | | |



Prepared for:
 Kurt Brooks
 1229 S 76th St
 West Allis, WI 53214



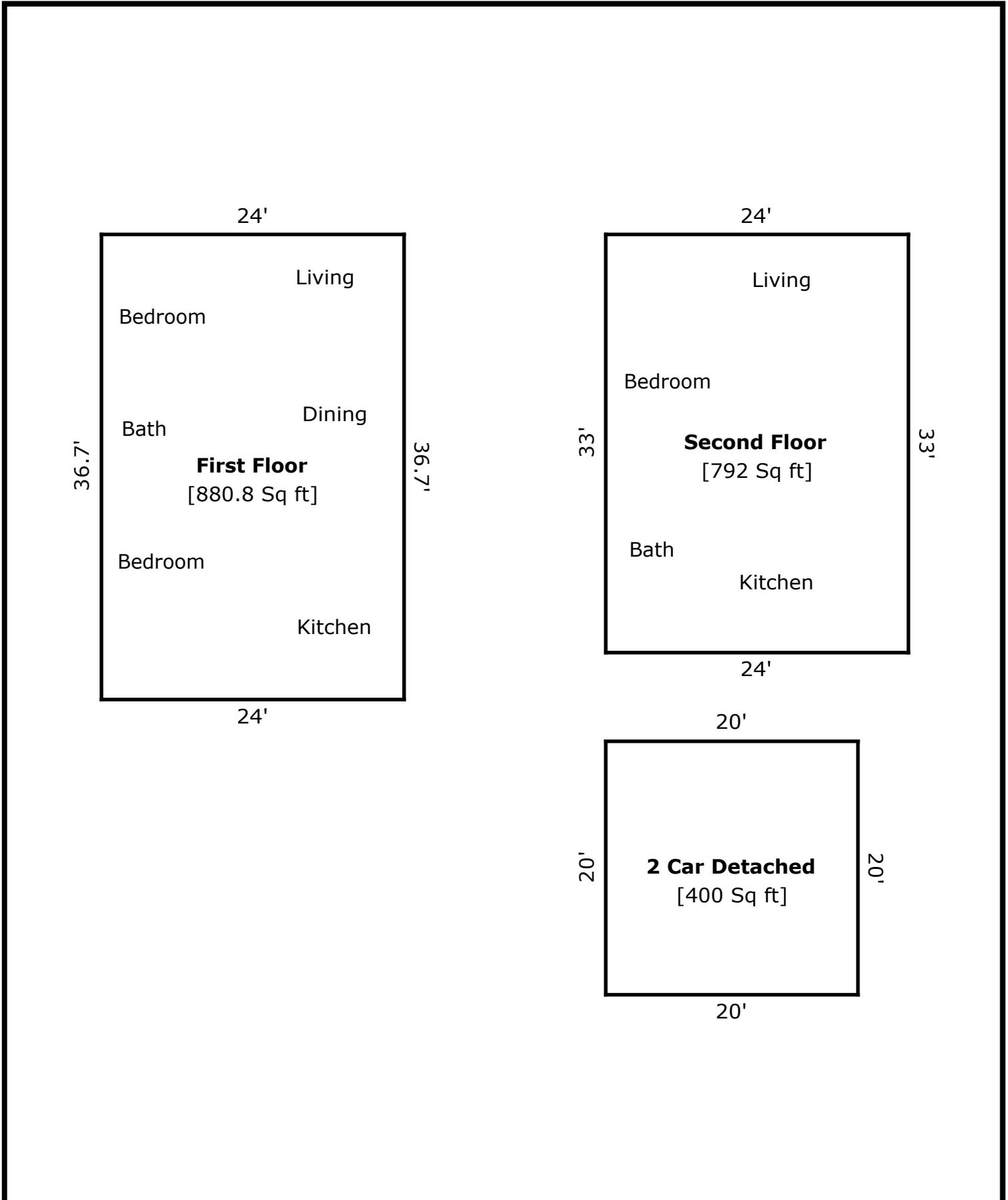
FLOODSCOPE
 Flood Hazards Map
 Map Number
 55079C0069E
 Effective Date
 September 26, 2008

Powered by FloodSource
 877.77.FLOOD
 www.floodsource.com

© 1999-2014 SourceProse and/or FloodSource Corporations. All rights reserved. Patents 6,631,326 and 6,678,615. Other patents pending. For Info: info@floodsource.com.

Building Sketch

| | | | | |
|------------------|----------------|------------------|----------|----------------|
| Borrower | N/A | | | |
| Property Address | 1229 S 76th St | | | |
| City | West Allis | County Milwaukee | State WI | Zip Code 53214 |
| Lender/Client | N/A | | | |



TOTAL Sketch by a la mode, inc.

Area Calculations Summary

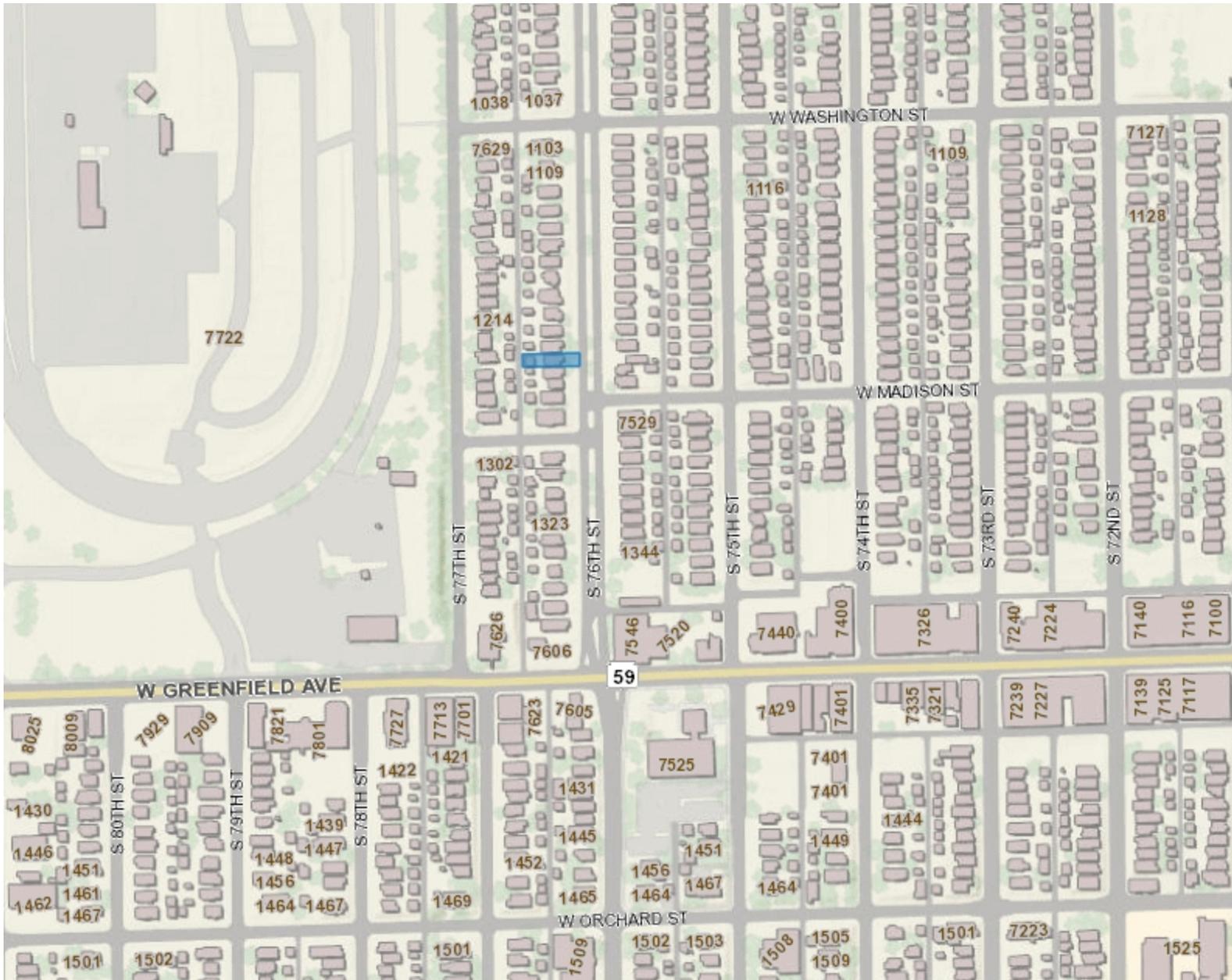
| | |
|-------------------------------------|-------------------|
| Living Area | |
| First Floor | 880.8 Sq ft |
| Second Floor | 792 Sq ft |
| Total Living Area (Rounded): | 1673 Sq ft |
| Non-living Area | |
| 2 Car Detached | 400 Sq ft |



MILWAUKEE COUNTY INTERACTIVE MAPPING SERVICE

Legend

- Tax_Parcels
- County Boundary
- Plat of Survey
- FORECLOSURE
- Subdivision Docs
- Condo Docs
- CSM Docs
- Structure



1:4,455



743 0 371 743 Feet

NAD_1927_StatePlane_Wisconsin_South_FIPS_4803
© MCAMLIS September ECD Packet

THIS MAP IS NOT TO BE USED FOR NAVIGATION

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.

Notes

DATE: September 2, 2014

TO: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM: Teig Whaley-Smith, Economic Development Director, Department of Administrative Services

SUBJECT: Amendment to the Option to Purchase Park East Block 6E

POLICY

The Economic Development Director, Department of Administrative Services is requesting that the County Board approve a resolution to amend the Option to Purchase related to Block 6E in the Park East, Milwaukee, Wisconsin.

BACKGROUND

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. Several amendments to the Option to Purchase were executed in the years following, such that the purchase price has increased to \$700,000 and \$65,000 in nonrefundable option fees have been paid to the County.

Rainier’s latest option period extended through September 30, 2013. Before the option was further extended the County requested that Rainier explore other options on the property to move a project forward. As such, the option has not officially been closed out, leaving open the possibility of assigning the option to a party in a better position to develop the property. At some point after the option extension date, Milwaukee River Partners I, LLC (“MRP”) began discussions with Rainier about taking over Rainier’s options on both the County-owned triangle of land on Block 6E and the adjacent riverfront parcel so that it could seek vacation of Edison Street and develop the entire parcel.

MRP envisions combining the parcels to construct a multi-office building development. The development would create approximately 350 construction jobs throughout the first phase of the project: a period of 18-24 months. The timing and jobs impact of future phases would depend on market demand.

Prior to moving forward, MRP sought permission from Milwaukee County to conduct environmental testing to determine what remediation costs might be associated with the redevelopment. Between contaminated soils and buried freeway support piers, it was estimated that remediation costs for the County-owned parcel alone would be anywhere from \$450,000-\$475,000. Taking the property as a whole, including utility relocation in the City right-of-way and remediation of the privately-owned parcel, total site remediation costs are expected to be between \$6.5M-\$7.2M.

Because development of the County-owned portion, which is approximately 0.37 acres, is infeasible on its own, and because the extent of contamination of the County-owned site is more extensive than the County anticipated, the Economic Development Division is seeking authorization to both (1) approve of an assignment from Rainer to MRP; and (2) further amend the terms of the assigned Option to the following:

- Extend Option period an additional twelve (12) months
- Additional Option Fee of \$35,000 (credit to purchase price); 100% percent refundable in first six (6) months; \$20,000 of which is refundable in the remaining six (6) months of the option period; nonrefundable if there is no notice of intent to exercise or not-exercise the option prior to expiration date
- Purchase Price: \$100,000 (the \$65,000 of option fees already paid shall remain a credit to the purchase price)

Moreover, MRP acknowledges that exercising the Option will require it to enter into a development agreement with Milwaukee County, consistent with the terms of the PERC, and therefore pledges the following:

- DBE goals at 25% participation for hard construction costs (including A/E) and 17% participation for professional services costs (non-A/E)
- Residential hiring goal for Milwaukee County residents of 30% of worker hours
- Apprenticeship/Job Training goal of 12.5% of worker hours
- Payment of prevailing wage for all construction employees

RECOMMENDATION

The Economic Development Director, Department of Administrative Services, recommends authorization to further amend the Amended Option to Purchase Park East Block 6E, which shall include an assignment from Rainier to MRP, subject to the approval of Corporation Counsel, Risk Management and other appropriate County officials under the terms and conditions described herein.

Teig Whaley-Smith
Economic Development Director, Department of Administrative Services

cc: Chris Abele, County Executive
Economic and Community Development Committee Members
Don Tyler, Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Raisa Koltun, Chief of Staff, County Executive's Office

(ITEM), A resolution requesting authorization for the County to amend the Amended Option to Purchase Park East Block 6E, which shall include an assignment from Rainier Properties II, LLC to Milwaukee River Partners I, LLC, 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 Commercial, the predecessor to Rainier Properties II, LLC (“Rainier”) for Block 6E, in the amount of \$676,000; and

WHEREAS, several amendments to the Option to Purchase were executed in the years following, such that the purchase price has increased to \$700,000 and \$65,000 in nonrefundable option fees have been paid to the County; and

WHEREAS, Rainier’s option period extended through September 30, 2013 and the option has not officially been closed out, leaving the possibility of assigning the option to a party in a better position to develop the property; and

WHEREAS, after the option extension date, Milwaukee River Partners I, LLC (“MRP”) began discussions with Rainier about taking over Rainier’s options on both the County-owned triangle of land on Block 6E and the adjacent riverfront parcel so that it could seek vacation of Edison Street and develop the entire parcel; and

WHEREAS, MRP envisions combining the parcels to construct a multi-office building development; and

WHEREAS, the development would create approximately 350 construction jobs throughout the first phase of the project, a period of 18-24 months, with future phases predicated on market demand; and

WHEREAS, MRP sought permission from Milwaukee County to conduct environmental testing to determine remediation costs associated with redevelopment and determined such costs, as they relate to contaminated soils and buried freeway support piers/footings on the County-owned parcel, range from \$450,000-\$475,000; and

WHEREAS, remediation costs for the property as a whole, including utility relocation in the City right-of-way and remediation of the privately-owned parcel are expected to be between \$6.5M-\$7.2M; and

47 WHEREAS, development of the County-owned 0.37 acre parcel on its own is
48 infeasible and because the extent of contamination thereon is more extensive than the
49 County anticipated; now therefore,
50

51 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby
52 authorizes the Director of Economic Development to approve of an assignment from
53 Rainier to MRP and further amend the Amended Option to Purchase Park East Block
54 6E; and
55

56 BE IT FURTHER RESOLVED, the Amended Option of Purchase shall include at
57 least the following terms and conditions:
58

- 59 (a) \$100,000 Purchase Price (Previous Option Fees remain a credit thereto);
- 60 (b) Extension of the Option for an additional 12 month period;
- 61 (c) Option Extension Fee of \$35,000 (Credit to the Purchase Price); 100%
62 refundable in the first six months of the option period; \$20,000 refundable in
63 the remaining six months of the option period; nonrefundable if there is no
64 notice of intent to exercise or not-exercise the option prior to expiration date;
65 and
66

67 BE IT FURTHER RESOLVED, that upon exercising the option to purchase, the
68 following terms and conditions, consistent with the PERC, shall be included in a
69 development agreement:
70

- 71 (a) DBE goals at 25% participation for hard construction costs (including A/E)
72 and 17% participation for professional services costs (non-A/E);
- 73 (b) Residential hiring goal for Milwaukee County residents of 30% of worker
74 hours
- 75 (c) Apprenticeship/Job Training goal of 12.5% of worker hours;
- 76 (d) Payment of prevailing wage for all construction employees.
77

78 BE IT FURTHER RESOLVED, that the County Executive and the County Clerk
79 and/or other appropriate County officials be hereby authorized to execute, after
80 Corporation Counsel approval, any assignment and/or amendment required to
81 implement the intent of this resolution.
82

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: September 2, 2014

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Amendment to the Option to Purchase Park East Block 6E

FISCAL EFFECT:

- | | |
|--|--|
| <input checked="" type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures (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.

| | Expenditure or Revenue Category | Current Year | Subsequent Year |
|-----------------------------------|--|---------------------|------------------------|
| Operating Budget | Expenditure | \$0 | \$0 |
| | Revenue | \$0 | \$0 |
| | Net Cost | \$0 | \$0 |
| Capital Improvement Budget | 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.¹ 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 Economic Development, Department of Administrative Services (DAS) is requesting that the County Board approve a resolution to amend an Amended Option to Purchase and approve of an assignment from Rainier Properties II, LLC to Milwaukee River Partners I, LLC, related to the 0.37 acre County-owned parcel located at Block 6E of the Park East in the City of Milwaukee;
 - B. The Option to Purchase will bring in \$0-\$35,000 of revenue. If the Option to Purchase is exercised it will bring \$100,000 of revenue. Pursuant to the Park East Freeway Land Disposition Plan and Agreement between the County, the City of Milwaukee, and the WDOT, sale proceeds from the sale of former Park East Freeway lands shall be divided between the County, the State and the FHWA based on their respective percentage financial participation when the lands were originally purchased for freeway purposes. For the \$100,000 gross sale proceeds from Block 6E the percentage reimbursement for the County shall be 58% (\$58,000), the State 3.6% (\$3,600) and the FHWA 38.4% (\$38,400). ***These figures are approximate, as sales expenses will reduce the \$100,000 gross sales proceeds amount before the percentage reimbursement amounts between the County, the State and the FHWA are computed.***
 - C. The projected revenue will contribute towards the budgeted land sales in the Economic Development budget.
 - D. None.

¹ 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.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.
September ECD Packet

Department/Prepared By DAS-Economic Development

Authorized Signature(s) _____

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

7

DATE: September 2, 2014

TO: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM: Teig Whaley-Smith, Economic Development Director, Department of Administrative Services

SUBJECT: Action related to County Certified Resolution File No. 14-501 –
The County sale of 5 Tax-Deeded properties to the City of West Allis

REQUEST

Authorization to amend terms on a previously approved agreement (File No 14-501) with the City of West Allis regarding the sale of tax-deeded properties.

BACKGROUND

The Real Estate Section of Economic Development Division received approval for the sale of five tax-deeded properties to the City of West Allis on the condition that a successful MOU be completed which would end the city's assessment of Storm Water charges on County owned land. (File No. 14-501)

Portions of the original Resolution, indicated that the purchase price for all of the Properties was set to be assessed value; rather than the agreed upon terms which was outstanding taxes owed plus \$5,000 per properties for the residential properties and the appraised value for the commercial property. One of the five properties, 6215 W National Ave, a commercial site in the downtown area, successfully closed with the sale price being full appraised value. That site will become public parking for downtown patrons.

Economic Development is now seeking authorization to sell the remaining four residential properties to the City at a price of all outstanding taxes owed plus \$5,000.

RECOMMENDATION

Approval is recommended for the amended terms. The City has agreed to the MOU ending all Storm-water management fees, and has a program in place to rehabilitate the four remaining residential properties, making them habitable and returning them to the Tax base.

Teig Whaley-Smith
Economic Development Director, Department of Administrative Services

cc: Chris Abele, County Executive
Economic and Community Development Committee Members
Finance, Audit and Personnel Committee Members
Don Tyler, Director, Department of Administrative Services
Julie Esch, Director of Operations, Department of Administrative Services
Raisa Koltun, Director of Legislative Affairs, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board of Supervisors
David Cialdini, Economic Development Real Estate Agent

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2
3
4 (ITEM) A resolution authorizing the amendment of terms on a previously
5 approved agreement (File No 14-501) with the City of West Allis regarding the sale of
6 tax-deeded properties.

7
8 **A RESOLUTION**
9

10 WHEREAS, the Economic Development Division of the Department of
11 Administrative Services received authorization to enter into a purchase agreement with
12 the City of West Allis on a package of five Tax Deeded properties located within the City
13 of West Allis (Resolution File No. 14-501); and

14
15 WHEREAS, Milwaukee County has taken ownership of the properties due to
16 unpaid property taxes; and

17
18 WHEREAS, the properties located at 2065 S 57th St, 1566 S 64th St, 2104 S 70th
19 St, and 8614 W Mitchell St. are residential single family homes or duplexes which range
20 in condition from fair to condemned (together "Residential Properties"); and

21
22 WHEREAS, representatives from West Allis have a desired interest in acquiring the
23 Residential Properties in an effort to rehabilitate the sites, return them to private
24 ownership thus returning them to the tax roll and strengthening the overall economic
25 condition of the city; and

26
27 WHEREAS, the property at 6215 W National Ave. ("Commercial Property") is a
28 vacant lot zoned commercial and is situated in the West Allis downtown district, which
29 consists of Commercial and Residential developments; and

30
31 WHEREAS, the City of West Allis is currently assessing storm-water management
32 fees to County Owned properties within the municipality and thus restricted from
33 purchasing property from the County; and

34
35 WHEREAS, the successful passing of Resolution File No. 14-501 created an MOU
36 effectively ending the City practice of assessing storm water management fees on
37 County owned land; and

38
39 WHEREAS, the City of West Allis has closed on the Commercial Property located
40 at 6215 W National Ave, and paid full appraised value; and

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WHEREAS, the City would like to purchase the Residential Properties at a price of total outstanding taxes, plus \$5,000, per property; now therefore

BE IT RESOLVED that the Economic Development Division is hereby authorized to sell the Residential Properties to the City of West Allis for an amount equal to the outstanding taxes plus \$5,000; and

BE IT FURTHER RESOLVED, that the County Executive and the County Clerk are hereby authorized to convey by Quit Claim Deed the properties located at 2065 S 57th St, 1566 S 64th St, 2104 S 70th St, and 8614 W Mitchell St., West Allis Wisconsin, to the City of West Allis pursuant to the requirements of this resolution.

BE IT FURTHER RESOLVED, that the County Executive and the County Clerk and/or other appropriate County officials be hereby authorized to execute, after Corporation Counsel approval, any and all instruments, rights of entry, documents that are called out in the Purchase Agreement and required to implement the intent of this resolution, including without limitation a Quit Claim Deed for the property and the attached Memorandum of Understanding;

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: September 2, 2014

Original Fiscal Note X

Substitute Fiscal Note

SUBJECT: Action related to County Certified Resolution File No. 14-501 – The County sale of 5 Tax-Deeded properties to the City of West Allis

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| x Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures (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 | |
| x 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.

| | Expenditure or Revenue Category | Current Year | Subsequent Year |
|-----------------------------------|--|---------------------|------------------------|
| Operating Budget | Expenditure | (25,000) | |
| | Revenue | 215,530 | |
| | Net Cost | \$240,530 | |
| Capital Improvement Budget | 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.¹ 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 package of five tax deeded properties was acquired by the Milwaukee County Treasurer through foreclosure because of non payment of real estate taxes. Economic Development has an agreement in place with the City of West Allis to sell one of the properties at the appraised fair market value and the others for back taxes plus \$5,000. Sale of these properties will:

- (a) relieve the county of maintenance obligations; the Economic Development Department does not track maintenance costs per parcel, rather the maintenance budget is spread across all parcels, including new inventory; consequently no budget impact is expected but the sale will allow maintenance efforts to be focused on newly acquired parcels; and
- (b) reimburse the Treasurer for any outstanding balance incurred by the Treasurer pursuant to Milwaukee County Ordinances 6.03(3)(a). The current balance of outstanding taxes and interest is \$190,530.00; and the transactions will pay an administrative fee of \$25,000 towards Economic Development Division’s budgeted revenue,
- (c) The execution of the MOU eliminating all Storm water management fees is expected to relieve the Parks operating budget by \$25,000 for 2014.

Department/Prepared By Teig Whaley-Smith, Economic Development Director

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

¹ 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.

² Community Business Development Partners’ review is required on all professional service and public work construction contracts.
September ECD Packet 89

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

8

DATE: September 2, 2014

TO: Supervisor Patricia Jursik, Chair, Economic & Community Development Committee

FROM: Teig Whaley-Smith, Economic Development Director, Department of Administrative Services

SUBJECT: Status of Excess Property Sales (File 14-8) (Informational Only)

The Real Estate Services Section of the Economic Development Division reports on a monthly basis, the status of excess property sales. Attached is the report for period beginning June 27, 2014 and ending August 21, 2014.



Teig Whaley-Smith
Economic Development Director, Department of Administrative Services

Attachment

cc: Chris Abele, County Executive
Marina Dimitrijevic, County Board Chairwoman
Economic and Community Development Committee Members
Don Tyler, Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Raisa Koltun, Chief of Staff, County Executive's Office
Julie Esch, Director of Operations, DAS
David Cialdini, Project Manager, DAS-Economic Development
Jill Suurmeyer, Economic and Community Development Research & Policy Analyst, Comptroller's Office
Alexis Gassenhuber, Economic and Community Development Committee Clerk

REAL ESTATE SERVICES SECTION

REVENUE STATUS REPORT
Period ending August 21, 2014

CLOSED PROPERTIES

| Property | Committee Date | Closed | Gross Sale Proceeds |
|---------------------------------|----------------|--------------------|----------------------|
| 3802 E Cudahy Ave, Cudahy | | January 16, 2014 | \$ 9,000.00 |
| 2578 Wauwatosa Ave, Wauwatosa | 5/8/2014 | June, 2014 | \$ 0.00 |
| 6215 W National Ave, West Allis | | August 4, 2014 | \$ 31,800.00 |
| | | TOTAL | \$ 40,800.00 |
| | | 2014 Budget | \$ 400,000.00 |

PENDING PROPERTY CLOSINGS

| Property | Committee Date | Pending Closing | Gross Sale Proceeds |
|--|----------------|-----------------|----------------------|
| 2065 S 57 th Street, West Allis | June 16, 2014 | Summer 2014 | \$ 25,066.00 |
| 1566 S 64 th Street, West Allis | June 16, 2014 | Summer 2014 | \$ 52,615.00 |
| 2104 S 70 th Street, West Allis | June 16, 2014 | Summer 2014 | \$ 36,580.00 |
| 8614 W Mitchell Street, West Allis | June 16, 2014 | Summer 2014 | \$ 64,469.00 |
| 7634 N Senica Rd, Fox Point | Passive Review | Summer 2014 | \$ 32,000.00 |
| 1607 S 54 th St, West Milwaukee | Passive Review | Summer 2014 | \$ 10,000.00 |
| 2001 7 th Ave, South Milwaukee | Passive Review | Summer 2014 | \$ 120,000.00 |
| | | TOTAL | \$ 746,730.00 |

GENERAL PROPERTY STATUS

| Property | Date Made Available | Status | Asking Price |
|--|---------------------|--------------------|----------------------------|
| 5414-22 S Packard Avenue, Cudahy | June 12, 2006 | Available for sale | \$ 35,000.00 |
| 3618 E Grange, Cudahy | August 11, 2009 | Available for sale | \$ 4,900.00 |
| 3749 E Squire, Cudahy | June 21, 2001 | Available for sale | \$ 16,900.00 |
| 8450 West Beatrice Ct., Milwaukee | August 8, 2008 | Available for sale | \$ 375,000.00 ² |
| 9074 S 5 th Ave, Oak Creek | February 12, 2010 | Available for sale | \$ 28,900.00 |
| 9262 N 60 th Street, Brown Deer | March 11, 2014 | Available for sale | Appraisal in Progress |
| 801 E. Ravine Lane, Bayside | March 11, 2014 | Available for sale | Appraisal in Progress |
| 7815 N River Road, River Hills | March 11, 2014 | Available for sale | Appraisal in Progress |
| 7634 N Senica Road, Fox Point | March 11, 2014 | Available for sale | \$ 32,000.00 |
| 2525 W Mill Road, Glendale | March 11, 2014 | Available for sale | Appraisal in Progress |
| 6034 N Park Road, Glendale | March 11, 2014 | Available for sale | Appraisal in Progress |

| Property | Date Made Available | Status | Asking Price |
|--|----------------------------|--------------------|-----------------------|
| 1811 W Silver Spring Drive, Glendale | March 11, 2014 | Available for sale | Appraisal in Progress |
| 4430 N 108 th Street, Wauwatosa | March 11, 2014 | Available for sale | Appraisal in Progress |
| 801 W Glendale Avenue, Glendale | March 11, 2014 | Available for sale | Appraisal in Progress |
| 4104 N Morris Boulevard, Shorewood | March 11, 2014 | Available for sale | Appraisal in Progress |
| 10424 W Woodward Avenue, Wauwatosa | March 11, 2014 | Available for sale | Appraisal in Progress |
| 527 N 98 th Street, Wauwatosa | March 11, 2014 | Available for sale | Appraisal in Progress |
| 1229 S 76 th Street, West Allis | March 11, 2014 | Available for sale | \$ 85,000.00 |
| 7133 W Becher Street, West Allis | March 11, 2014 | Available for sale | \$ 1.00 |
| 1607 S 54 th Street, West Milwaukee | March 11, 2014 | Available for sale | \$ 1.00 |
| 2151 S 63 rd Street, West Allis | March 11, 2014 | Available for sale | Appraisal in Progress |
| 2105 S 79 th Street, West Allis | March 11, 2014 | Available for sale | \$ 15,000.00 |
| 3410 S Schauer Avenue, Greenfield | March 11, 2014 | Available for sale | Appraisal in Progress |
| 3509-11 E Plankinton Avenue, Cudahy | March 11, 2014 | Available for sale | Appraisal in Progress |
| 3711E Barnard Avenue, Cudahy | March 11, 2014 | Available for sale | Appraisal in Progress |
| 3677 E Carpenter Avenue, Cudahy | March 11, 2014 | Available for sale | Appraisal in Progress |
| 3834 E Edgerton Avenue, Cudahy | March 11, 2014 | Available for sale | Appraisal in Progress |
| 3901 E Martin Avenue, Cudahy | March 11, 2014 | Available for sale | Appraisal in Progress |
| 3127 E Luzerne Avenue, Cudahy | March 11, 2014 | Available for sale | Appraisal in Progress |
| 6465 S Whitnall Edge Road, Franklin | March 11, 2014 | Available for sale | Appraisal in Progress |
| 2427 W Carrington Avenue, Oak Creek | March 11, 2014 | Available for sale | Appraisal in Progress |
| 1628 Carroll Avenue, South Milwaukee | March 11, 2014 | Available for sale | \$ 28,500.00 |
| 1315 Nicholson Ave. _Rear, S. Milwaukee | March 11, 2014 | Available for sale | \$ 48,000.00 |
| S 35 th Street, Franklin | March 11, 2014 | Available for sale | \$ 5,000.00 |
| 1606 18 th Avenue, South Milwaukee | March 11, 2014 | Available for sale | \$ 1.00 |
| 2001 7 th Avenue, South Milwaukee | March 11, 2014 | Available for sale | \$ 120,000.00 |
| 8124 S Lakeview Drive, Franklin | March 11, 2014 | Available for sale | Appraisal in Progress |
| 8143 S 34 th Street, Franklin | March 11, 2014 | Available for sale | \$ 45,000.00 |
| 8474 S Burrell Street, Oak Creek | March 11, 2014 | Available for sale | Appraisal in Progress |
| 9139 S 5 th Avenue, Oak Creek | March 11, 2014 | Available for sale | Appraisal in Progress |
| 165 E Golden Lane, Oak Creek | March 11, 2014 | Available for sale | \$ 45,000.00 |
| 10568 S Alton Road, Oak Creek | March 11, 2014 | Available for sale | Appraisal in Progress |

1. County's share of \$700,000 sales price
2. Net proceeds to Federal Transit Administration or Future Transit Capital Project

SUMMARY DETAIL OF PENDING PROPERTY CLOSINGS

| PROPERTY | BUYER | CLOSING | COMMENTS |
|----------------------------|--------------------|----------------|---|
| 6215 W National Ave | City of West Allis | 2014 | Sale is contingent upon a successful MOU eliminating Storm Water Management Fees against Milwaukee County owned properties. |
| 2065 S 57 th St | City of West Allis | 2014 | Part a package deal, added to the 6215 W National Ave transaction |
| 1566 S 64 th St | City of West Allis | 2014 | Part a package deal, added to the 6215 W National Ave transaction |
| 2104 S 70 th St | City of West Allis | 2014 | Part a package deal, added to the 6215 W National Ave transaction |
| 8614 W Mitchell | City of West Allis | 2014 | Part a package deal, added to the 6215 W National Ave transaction |

SUMMARY DETAIL OF UWM, INNOVATION PARK, LLC SALE

| PROPERTY | BUYER | CLOSING | COMMENTS |
|----------------------------|---------------------------|-------------------|---|
| NE Quadrant County Grounds | UWM, Innovation Park, LLC | February 15, 2011 | <p>Initial \$5 million paid February 15, 2011.</p> <p>Second \$5 million payment was received on February 5, 2014</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"> • \$887,500 payable on February 15, 2015 • \$887,500 payable on February 15, 2016 • \$887,500 payable on February 15, 2017 • \$887,500 payable on February 15, 2018 |

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

9

DATE: September 9, 2014

TO: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

FROM: Teig Whaley-Smith, Economic Development Director, Department of Administrative Services

SUBJECT: From the Director of County Economic Development, Department of Administrative Services, requesting authorization to apply for, accept, and implement a Community Development Investment Grant in a maximum amount of \$50,000 from the Wisconsin Economic Development Corporation to assist in the development of a Land Use and Water Resource Plan for the area in and around Milwaukee's Inner Harbor in partnership with Harbor District, Inc., and the City of Milwaukee.

POLICY

Milwaukee County Board review and approval is required for the submission of grant funding applications, pursuant to MCGO 56.06.

BACKGROUND

The Wisconsin Economic Development Corporation (WEDC) is the State of Wisconsin's lead economic development agency focused on sustainable business growth and job creation. The economic development resources WEDC provides to local governments and private parties are numerous and include several grant opportunities. One such opportunity is the Community Development Investment Grant (CDIG) Program. This program is meant to, "support urban, small city and rural community redevelopment efforts by providing financial incentives for shovel-ready projects with emphasis on, but not limited to, downtown community driven efforts." by providing grants to local municipalities for use on specific projects which "demonstrate significant, measureable benefits in job opportunities, property values and/or leveraged investment by local and private partners."

DAS-Economic Development is seeking authorization to apply for a Tier 3 CDIG in an amount up to \$50,000 to assist in the planning efforts of Harbor District, Inc. and the City of Milwaukee. The planning efforts, focusing on the area in and around the Milwaukee Harbor, will include not just a land use plan, but also a water resources plan, market study and infrastructure assessment. The goals of the initiative are to restore the land and water, reimagine infrastructure and craft a comprehensive economic development policy to create a resilient waterfront that strengthens the Milwaukee community.

The CDIG requires a local 75% match. Match funds need not be from the County, but can come from other public and private investment into the project. In this case, the \$150,000 match funds are being provided by the City of Milwaukee and WE Energies.

To implement the grant, if awarded, DAS-Economic Development will enter into an MOU with Harbor District, Inc. and the City of Milwaukee what shall include, but not limited to the following terms:

- Submittal to County of paid itemized invoices for eligible expenses with proof of payment for reimbursement purposes, as required by WEDC;
- Semi-annual performance reporting during the life of the project, with a final report due upon completion, as required by WEDC;
- Indemnification in favor of County in the event of a default entitling WEDC to a return of any grant funds expended;
- Guaranty that County is not responsible for financial obligations of Harbor District, Inc.;
- Access to project records during the life of the project and for at least three years thereafter for auditing purposes.

RECOMMENDATION

The Director of the Department of Administrative Services – Economic Development recommends authorization to apply for, accept, and implement a Community Development Investment Grant in a maximum amount of \$50,000 from the Wisconsin Economic Development Corporation to assist in the development of a strategic plan for the area in and around Milwaukee’s Harbor in partnership with Harbor District, Inc., and the City of Milwaukee.

FISCAL NOTE

Acceptance of the grant will have a net zero impact on the division’s budget. Milwaukee County’s role in the process will be that of a compliance administrator and conduit for grant funds. Staff time to monitor the project and process the reimbursements will be absorbed in the agency’s existing budget.

Teig Whaley-Smith

Economic Development Director, Department of Administrative Services

cc: Chris Abele, County Executive
 Marina Dimitrijevic, County Board Chairwoman
 Economic and Community Development Committee Members
 Finance, Personnel and Audit Committee Members
 Don Tyler, Director, Department of Administrative Services
 Kelly Bablitch, Chief of Staff, County Board of Supervisors
 Raisa Koltun, Chief of Staff, County Executive’s Office
 Julie Esch, Director of Operations, DAS

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(ITEM) From the Director of County Economic Development, Department of Administrative Services, requesting authorization to apply for, accept, and implement a Community Development Investment Grant in a maximum amount of \$50,000 from the Wisconsin Economic Development Corporation to assist in the development of a Land Use and Water Resource Plan for the area in and around Milwaukee’s Inner Harbor in partnership with Harbor District, Inc., and the City of Milwaukee, by recommending the following:

A RESOLUTION

WHEREAS, the Wisconsin Economic Development Corporation (WEDC) is the State of Wisconsin’s lead economic development agency focused on sustainable business growth and job creation; and

WHEREAS, WEDC’s Community Development Investment Grant (CDIG) Program is meant to, “support urban, small city and rural community redevelopment efforts by providing financial incentives for shovel-ready projects with emphasis on, but not limited to, downtown community driven efforts,” by providing grants to local municipalities for use on specific projects which “demonstrate significant, measureable benefits in job opportunities, property values and/or leveraged investment by local and private partners.”; and

WHEREAS, DAS-Economic Development is seeking authorization to apply for a Tier 3 CDIG in an amount up to \$50,000 to assist in the planning efforts of Harbor District, Inc. and the City of Milwaukee; and

WHEREAS, planning efforts, focusing on the area in and around the Milwaukee Harbor, will include not just a land use plan, but also a water resources plan, market study and infrastructure assessment; and

WHEREAS, the goals of the initiative are to restore the land and water, reimagine infrastructure and craft a comprehensive economic development policy to create a resilient waterfront that strengthens the Milwaukee community; and

WHEREAS, the required 75% local match of \$150,000 shall be satisfied by contributions from the City of Milwaukee and WE Energies; now, therefore,

BE IT RESOLVED that the Director for Economic Development Division is hereby authorized to apply for, and if awarded, accept CDIG funds in an amount up to \$50,000 from the Wisconsin Economic Development Corporation to assist in funding the planning efforts of Harbor District, Inc.; and,

BE IT FURTHER RESOLVED, that if awarded the grant DAS-Economic Development is authorized to enter into a CDIG Agreement with WEDC and a

48 Memorandum of Understanding with Harbor District, Inc. and the City of Milwaukee,
49 subject to the approval of Risk Management and Corporation Counsel; and

50

51 BE IT FURTHER RESOLVED, the MOU shall include at least the following terms
52 and conditions:

53 (a) Submittal to County of paid itemized invoices for eligible expenses with
54 proof of payment for reimbursement purposes, as required by WEDC;

55 (b) Semi-annual performance reporting during the life of the project, with a
56 final report due upon completion, as required by WEDC;

57 (c) Indemnification in favor of County in the event of a default entitling WEDC
58 to a return of any grant funds expended;

59 (d) Guaranty that County is not responsible for financial obligations of Harbor
60 District, Inc.;

61 (e) Access to project records during the life of the project and for at least
62 three years thereafter for auditing purposes.

63

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: September 9, 2014

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From the Director of County Economic Development, Department of Administrative Services, requesting authorization to apply for, accept, and implement a Community Development Investment Grant in a maximum amount of \$50,000 from the Wisconsin Economic Development Corporation to assist in the development of a Land Use and Water Resource Plan for the area in and around Milwaukee’s Inner Harbor in partnership with Harbor District, Inc., and the City of Milwaukee.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures (If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" 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.

| | Expenditure or Revenue Category | Current Year | Subsequent Year |
|-----------------------------------|--|---------------------|------------------------|
| Operating Budget | Expenditure | \$50,000 | 0 |
| | Revenue | \$50,000 | 0 |
| | Net Cost | 0 | 0 |
| Capital Improvement Budget | 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. ¹ 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 Economic Development Director is requesting authorization to accept a grant of \$50,000 from WEDC and allocate those funds to Harbor District, Inc., which is responsible for compliance.
 - B. If the project is completed by Harbor District, Inc., proceeds up to \$50,000 would be received by the County and disbursed to Harbor District, Inc.
 - C. This would be a net cost of \$0 to the county, other than staff time.
 - D. None.

Department/Prepared By Teig Whaley-Smith, Economic Development Director

Authorized Signature _____

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

¹ 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.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.
September ECD Packet

DATE: September 8, 2014

TO: Supervisor Michael Mayo, Sr., Chair, Transportation, Public Works and Transit Committee
Supervisor Patricia Jursik, Chair, Economic and Community Development Committee

FROM: Teig Whaley-Smith, Economic Development Director, Department of Administrative Services

SUBJECT: City Campus Community Visioning Session - Update

REQUEST

There is no request at this time; this report is for informational purposes only.

BACKGROUND

In anticipation of County staff vacating the City Campus facility, the Committee on Transportation, Public Works and Transit, through File No. 14-483, directed the County's Economic Development Division "to meet with the local community groups active in the area of City Campus, along with the City of Milwaukee and the Milwaukee Public Schools staff to develop a plan for land use regarding City Campus and its surrounding neighborhood and shall address the possibility of demolition with cost estimates and develop recommendations consistent with future development."

Working in concert with the Avenues West Association, City of Milwaukee Planning Staff, a City Alderman, several members of the Milwaukee County Board and Quorum Architects, a neighborhood firm with experience facilitating public meetings, a Community Visioning Session was planned for July 29th in the City Campus auditorium/theater space. Over 75 people attended the session, which included building tours, an overview of the planning efforts and smaller group discussions to share ideas and brainstorm future development plans for the site.

The attached report, prepared by Quorum Architects, represents a summary of the ideas local stakeholders and neighborhood members brought to the planning process. Overall, there seemed to be support for demolishing the 9-Story structure, saving the 2-story historic storefront and theater, potentially saving the 5-story office building, and utilizing the parking lot area as functional green space for the neighborhood, which could include recreation space or community gardens.

RECOMMENDATION

There is no recommendation at this time; this report is for informational purposes only. Economic Development Staff requests a closed session to discuss further details of the planning process.



Teig Whaley-Smith
Economic Development Director, Department of Administrative Services

Attachments (1): Report from Quorum Architects

cc: Chris Abele, County Executive
Marina Dimitrijevic, County Board Chairwoman
Transportation, Public Works and Transit Committee Members
Economic and Community Development Committee Members
Don Tyler, Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Raisa Koltun, Chief of Staff, County Executive's Office
Julie Esch, Director of Operations, Department of Administrative Services
Jill Suurmeyer, Research Analyst, Comptroller's Office
David Cialdini, Project Manager, Economic Development
Emily Van Deraa, Associate Project Manager, Economic Development



MILWAUKEE COUNTY

CITY CAMPUS BUILDING PUBLIC MEETING
JULY 29TH, 2014

SUMMARY REPORT

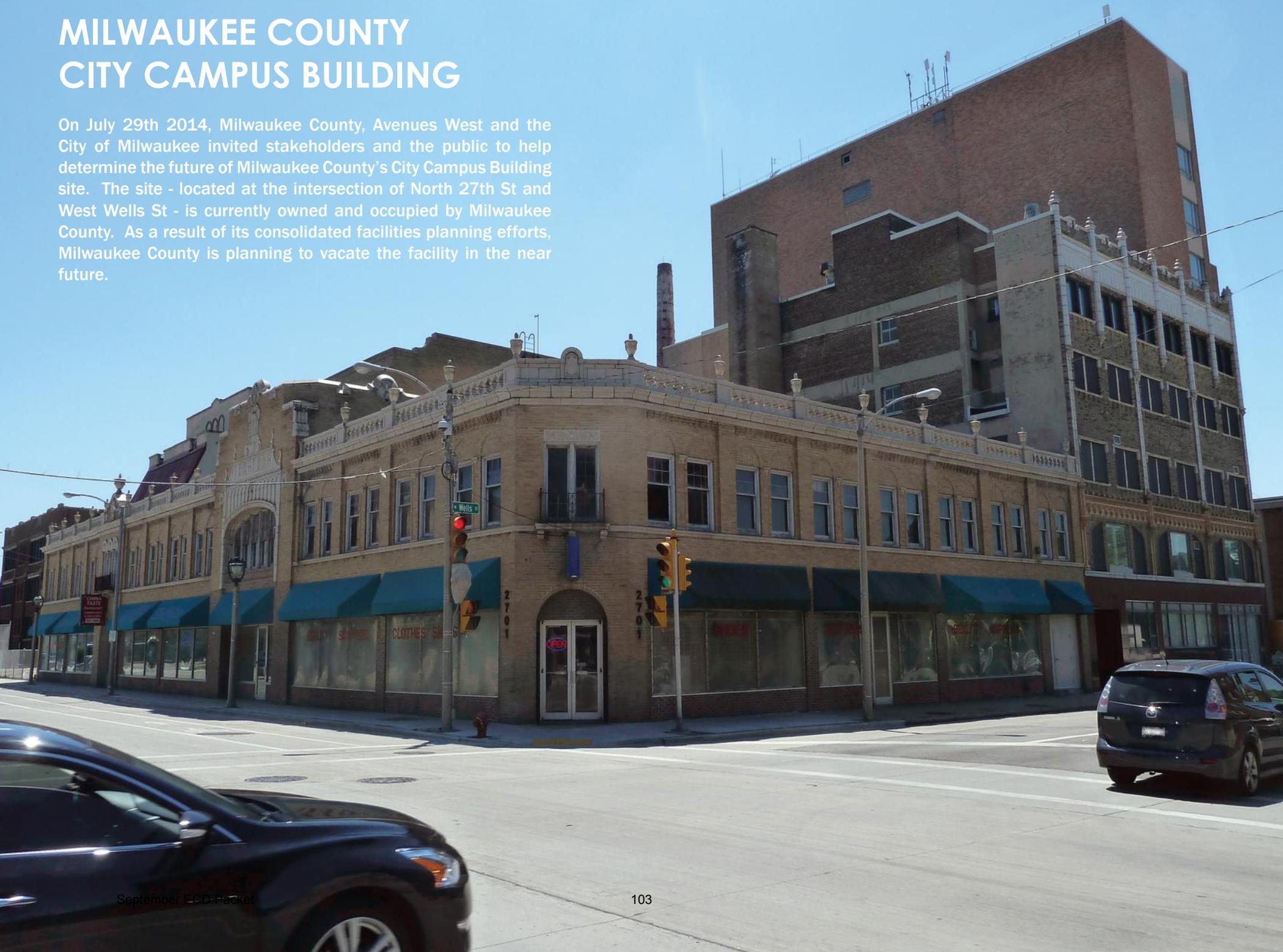


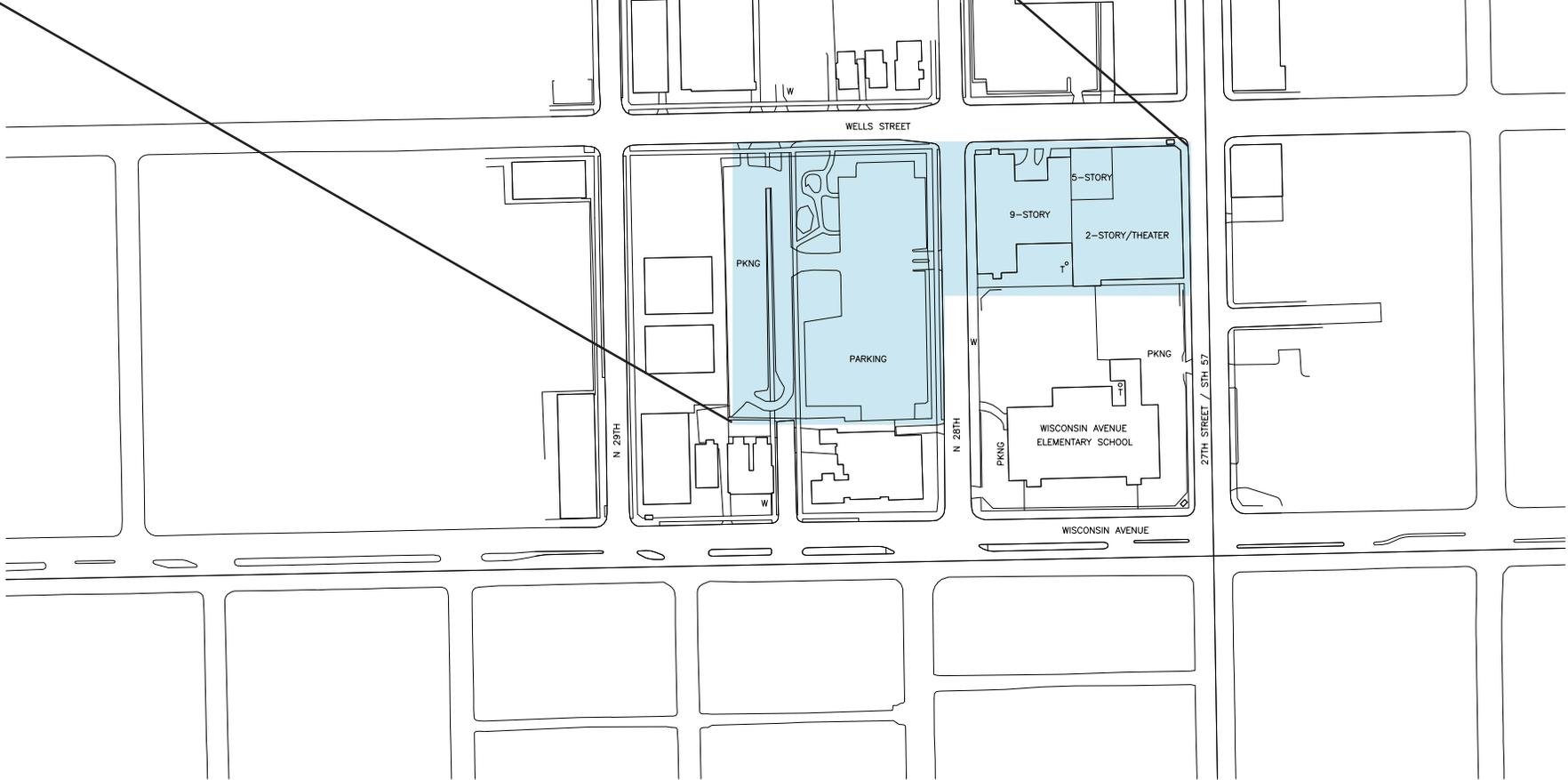
Quorum Architects, Inc.



MILWAUKEE COUNTY CITY CAMPUS BUILDING

On July 29th 2014, Milwaukee County, Avenues West and the City of Milwaukee invited stakeholders and the public to help determine the future of Milwaukee County's City Campus Building site. The site - located at the intersection of North 27th St and West Wells St - is currently owned and occupied by Milwaukee County. As a result of its consolidated facilities planning efforts, Milwaukee County is planning to vacate the facility in the near future.

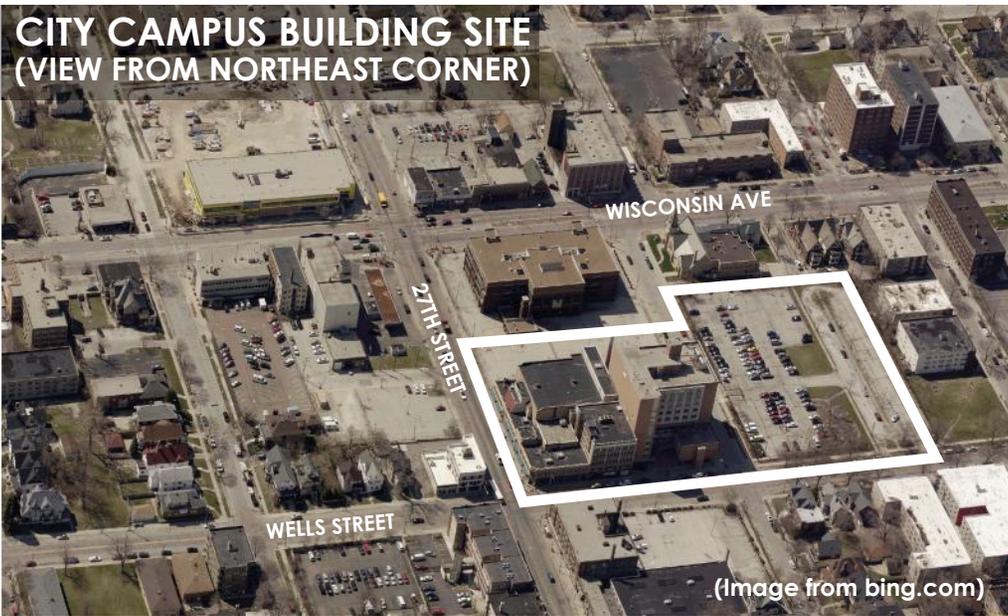




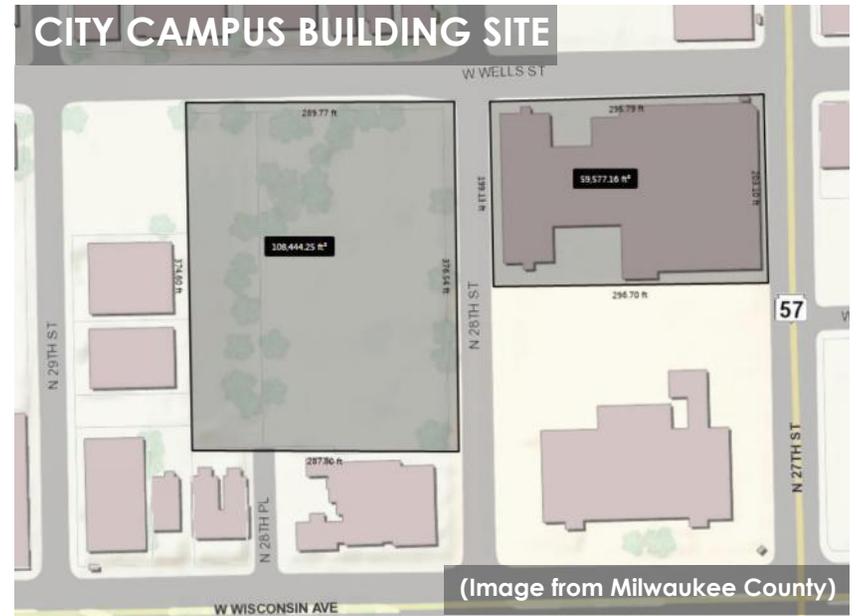
SITE CONTEXT
(map from Milwaukee County)



**CITY CAMPUS BUILDING SITE
(VIEW FROM NORTHEAST CORNER)**



CITY CAMPUS BUILDING SITE





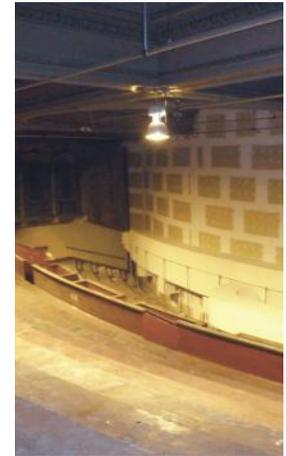
CITY CAMPUS BUILDING EXTERIOR





CITY CAMPUS BUILDING EXTERIOR





**CITY CAMPUS
BUILDING
INTERIOR
THEATER**

BACKGROUND & PROCESS

In anticipation of the County's vacation of City Campus, the Milwaukee County Board of Supervisors directed the County's Economic Development Division to engage local community groups active in the neighborhood, residents, the City of Milwaukee and the Milwaukee Public Schools to develop a plan for future uses and development. The July 29th, 2014 Meeting was the outcome of those efforts.



Recent planning efforts are a continuation of the previous facilities assessment report prepared by CBRE for Milwaukee County. The Comprehensive Facilities Plan Consulting Report (February 2013) provided recommendations for managing the county's real estate portfolio. In summary, the CBRE report recommended:

- Selling certain assets to reduce the county's footprint of occupied space;
- Consolidating all real estate under one County "Landlord";
- Improving occupied space and optimizing space utilization;
- Developing systems and investing in training and tools; and
- Reallocating available savings from real estate back into the portfolio.

As part of these recommendations, the City Campus building, a two-story, five-story and nine-story office complex that houses several Milwaukee County departments/divisions, was recommended to be sold and redeveloped. In preparing to vacate, sell this property and move its users to a new location, the department/division's programmatic needs were established, working within space utilization standards set forth in the CBRE report.

The public meeting held on Tuesday July 29, 2014 at the City Campus Building solicited community input regarding the future of the City Campus site. Attendees toured the existing building, after which Avenues West introduced representatives from the Milwaukee County Board of Supervisors, City of Milwaukee Common Council and the State Assembly, along with County Economic Development Staff and City Planning Staff. Quorum Architects then reviewed the history of the building, outlined current planning efforts and explained the process for the public meeting.

Community Visioning Meeting:

THE FUTURE OF MILWAUKEE COUNTY'S CITY CAMPUS



What is next for this prime parcel of real estate?



Join us on: Tuesday, July 29, 2014 from 6:00 p.m. - 8:00 p.m. at the *City Campus Auditorium* to hear about the property and provide the County, City and the Avenues West Association feedback and ideas for future uses.

2711 W. Wells Street, Milwaukee, WI 53208
(Signs will direct you to the auditorium)

Parking is available on the street and in the lot on the west side of 28th Street between Wisconsin Ave. and Wells Street.



HOSTED BY:

Avenues West, Milwaukee County and
City of Milwaukee Alderman Robert Bauman



1 TOURS

Building tours were led by Milwaukee County staff and introduced attendees to existing interior spaces of the facility. Attendees were guided through one floor of each building type to understand the conditions and connection of the complex. Some of these spaces are currently occupied, while others are not.



2 INTRODUCTION & BACKGROUND

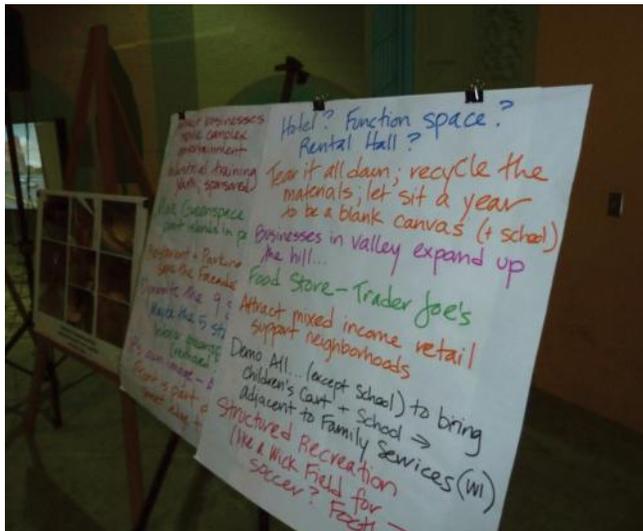
The following representatives introduced the Consolidated Facilities Planning project and its impact on the City Campus Building site:

- Keith Stanley (Avenues West)
- Teig Whaley-Smith (Milwaukee County Economic Development)
- Theodore Lipscomb (Milwaukee County Supervisor)
- Patricia Jursik (Milwaukee County Supervisor)
- Bob Bauman (Alderman)
- Vanessa Koster (Milwaukee Department of City Development)
- Evan Goyke (State Representative)
- Allyson Nemec (Quorum Architects)



3 CHARRETTE

To collect input from all attendees, four groups at separate tables were designated - each table facilitated by staff from Quorum Architects. Base maps, preliminary economic information, and basic supplies were provided at each table. Attendees voiced their opinions through a facilitated discussion at each table. All suggestions, recommendations, and feedback were considered and discussed with the attendees. All information was recorded as notes, while some groups created drawings and diagrams.



FEEDBACK

The charrette provided a forum for the public to voice their personal ideas and concerns for the site, while at the same time allowing individuals to collaborate and create new ideas together.

...and
(District ... market)
5 1/2 Wis. Avenue
as "space"
"ferre" people to
ent occupant
ution for neighborhood





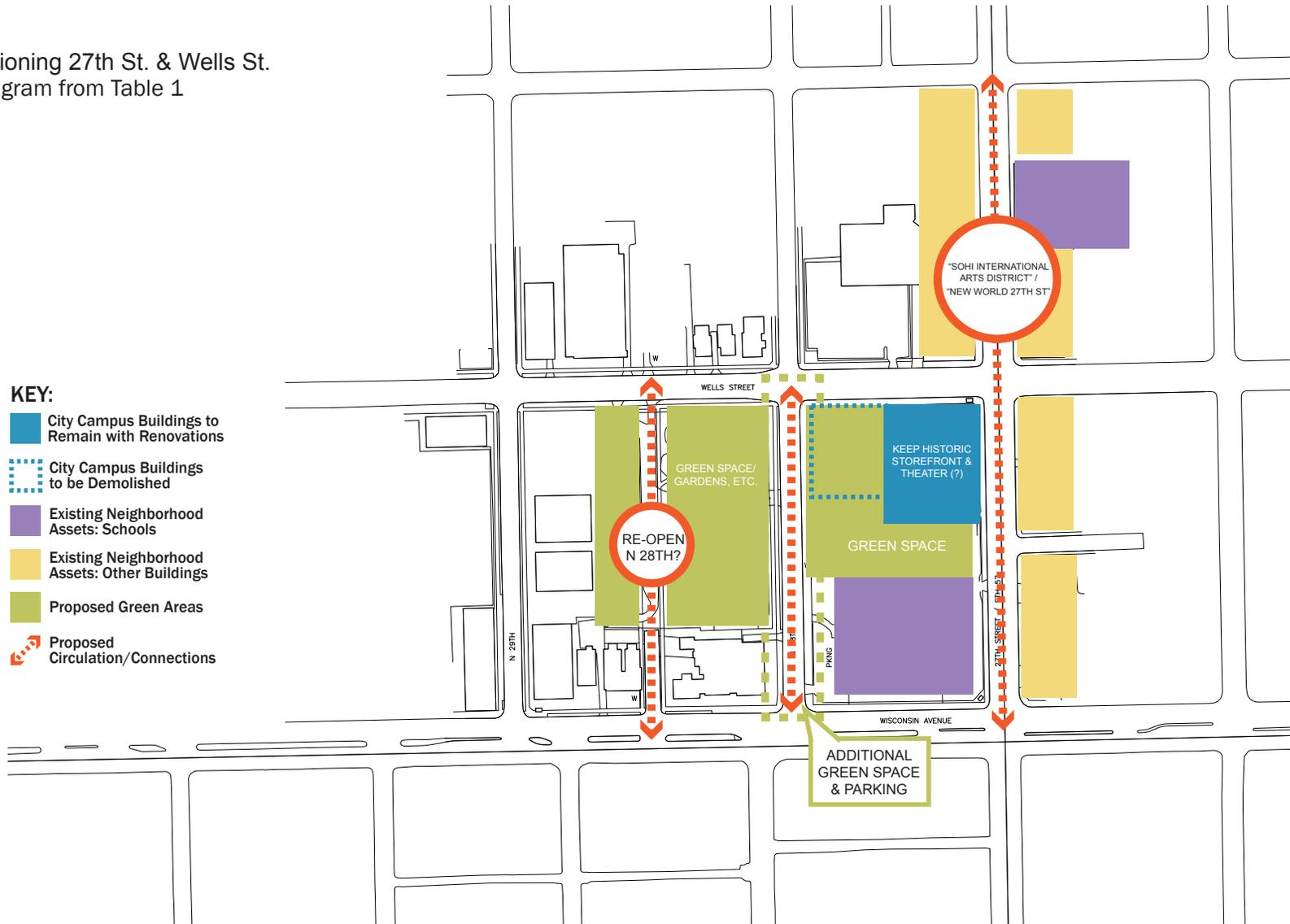
TABLE 1

The following list was recorded during the visioning session facilitated at Table 1.

- Hotel? Function space? Rental Hall?
- Tear it all down; recycle the materials; let sit for a year to be a blank canvas (+ school)
- Businesses in valley expand up the hill
- Food store-Trader Joes
- Attract mixed income retail support neighborhoods
- Demo all...(except school)... to bring
 - Children's Court and School
 - Adjacent to Family Services (WI)
- Structured recreation
 - (like a Wick Field for soccer? Football?)
- Indian spice store vs big box
- International arts 27th street
- Artists that work & sell (\$)
- China Taste Delivers!
- A coffee shop...area businesses are in a retail desert
 - State workers; Harley; Miller; Potawatomi
- General safety; high level of fear can be overcome by development
- Macro level: business district
 - Catalyst project
 - Historic storefronts & school
- Designation (from intentional avoidance)
 - Assets-international focus
 - Arts district-live work artists & international
 - SOHI International Arts District
- International dining & cuisine training
- Directed tour to international businesses to 27th Street
- WBIC funding for such international business
- Gateway..."right down WI Ave"
- Professional office – income generating (vs. social service vs. social service)
- Brew pub!
- Attract businesses
 - Movie complex
 - Entertainment
- Industrial training center
 - Youth; sponsored by businesses
- More green space
 - Plant islands in parking
- Restaurant & parking
 - Save the façade
- Dynamite the 9 story!
 - Maybe the 5 story too?
 - Interior green space in theater (removed?)
- Its own image – alive again!
- Front is art of the street edge & history

Visioning 27th St. & Wells St.
Diagram from Table 1

- KEY:**
- City Campus Buildings to Remain with Renovations
 - City Campus Buildings to be Demolished
 - Existing Neighborhood Assets: Schools
 - Existing Neighborhood Assets: Other Buildings
 - Proposed Green Areas
 - Proposed Circulation/Connections



**COMMUNITY VISIONING MEETING
MILWAUKEE COUNTY'S CITY CAMPUS
JULY 29TH, 2014**





TABLE 2

The following list was recorded during the visioning session facilitated at Table 2.

- Preserve theater
- Historic preservation tax credit
- Historic district (i.e. Ambassador)
- Pohlman Theater – competition?
- Prime corridor – retail & business district
- Demolition of complex
- Develop TIF for acquisition & retail
- Theater with retail
- What is preventing retail from coming to area?
Parking?
- Concordia development
- Attract employees to go to
- Demolish 9 & 5 story
- Integrate existing businesses
- Greenspace; beautiful, sustainable rooftop gardens
- Community gathering space
- Farmers market
- Keep in mind tax payers based on development – tax impact
- Support neighborhood & residents with development
- Option to renovate entire complex
- Whole 27th Street needs a “face lift”
- Current business owners, an incentive
- Community based, local businesses
- Diverse sized & options of bilingual/businesses
- Do need retails & restaurants
- Neighbors - Miller, Concordia, State Building, Story Hill, Harley Davidson
- No bars, fast food, etc.
- Local businesses vs. chains
- Upscale restaurant, bookstores, cultural base, non-profits, educational hub
- Strong anchor – make changes to neighborhood
- Take some guts
- Marquette University involvement – Theater
- Major local stakeholders to help support the development
- Start from scratch – clean slate
- Capitalize on existing
- Create unique destination, sense of place
- Walkable neighborhoods with options (businesses, retail & housing)
- Use 27th & Wells & Wisconsin Ave
 - Progress as “spark”
- Slow people down, “force” people to visit/ destination
- Non-government occupant
- Feasible solution for neighborhood



TABLE 3

The following list was recorded during the visioning session facilitated at at Table 3.

- Transient business
- Critical mass of stakeholders that want to get this done
- Bring life to the neighborhood
- Art's incubator?
- Community Theater
- Live/work lofts?
 - How successful are these?
- Apartments at 2nd story on 27th?
- Neighborhood walkability
- Eliminate street drug solicitation
- Fresh water organics?
- Wellness center?
- Gymnasium/community center?
 - Rock climbing
- Sydney Hih Building?
 - Arts/crafts/bohemian
 - High turnover...problem?
- Survey of area residents of where we shop?
- Manufacturing/industry
 - Job creation
- Education center
 - Trade training
- 9 story-comes down?
 - Gut it? Leave structure?
- Parking stays
 - For use as public?
- New arena
 - With hotels
- Small big box?
 - Tall/small/big box?
- Fresh food
 - No junk food
- Grocery!!!
- Call Will Allen
- Local – Neighborhood House
 - Penfield
 - State of Wisconsin
 - Partial use
- Urban Ecology
- Discovery World
- Milwaukee Public Library
- Milwaukee Public Museum



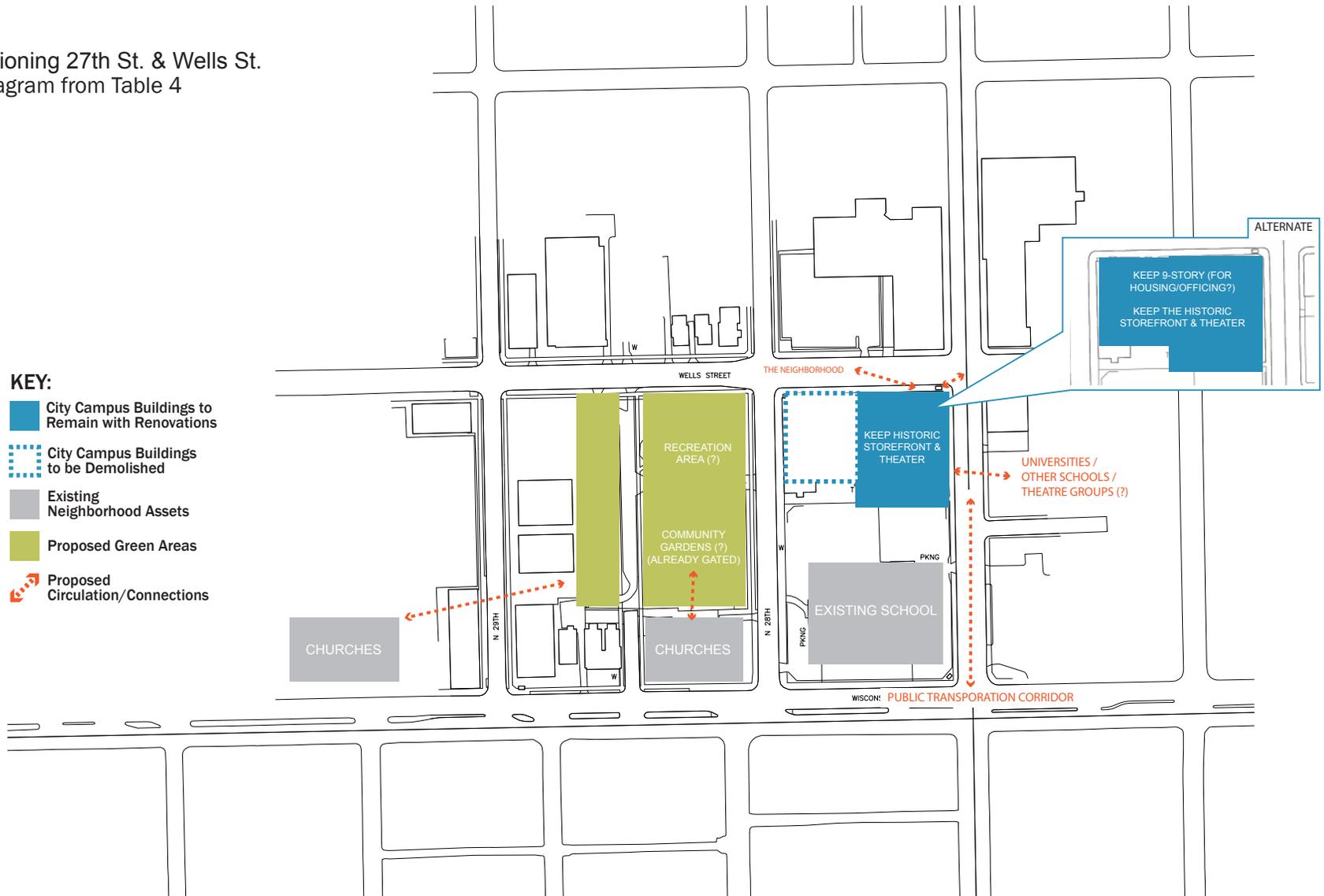
TABLE 4

The following list was recorded during the visioning session facilitated at Table 4.

- Recreational activities –kids, something to do
 - Handball
 - Volunteers supervise
 - Food store
 - Theater groups
 - Donations for renovation
 - Children’s theater
 - 501 C3s-grants
 - Literacy center
 - Utilize the school?
 - Program for alcohol/drug rehab, job training
 - Housing in the 9-story?
 - Veterans housing
 - County veteran’s service program
 - New facility vs renovation
 - Urban Agriculture
 - Utilize existing roofs?
 - Use parking lot?
 - Attract outsiders
 - Transit hub along Wisconsin – this site is set up
 - Marquette University & High School collaboration
 - Reuse as office space
 - Leverage sports arena initiative
 - Work with existing owners and businesses
 - SOHI
 - Food store
 - Neighborhood-sized; Cermak?
 - Start with theater
 - Need an analysis of cost-effectiveness of renovation vs demo
 - Incubator building
 - Collaborative with Marquette
 - Attract young people into neighborhoods where there is vacant housing
 - Potential theater users
 - Historical
 - Harsbury Sands
 - Highland School
 - First Stage
 - Would be interesting to get analysis from real estate companies
- Storefront users?
- Grocery store
 - Ice cream shop
 - Popcorn
 - Coffee shop
 - Bars
 - Wine bar
 - Anchor
 - SOHI
- Parking lot users?
- Gardens
 - Veterans facility
 - Youth activities
 - Grocery
- Other areas
- Condos!!

Visioning 27th St. & Wells St.
Diagram from Table 4

- KEY:**
- City Campus Buildings to Remain with Renovations
 - City Campus Buildings to be Demolished
 - Existing Neighborhood Assets
 - Proposed Green Areas
 - Proposed Circulation/Connections

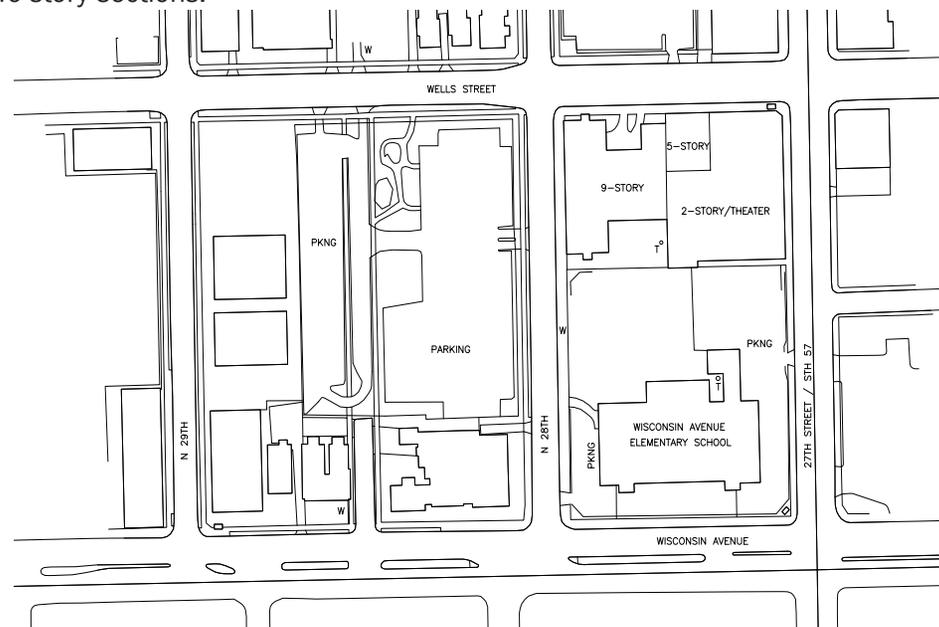


**COMMUNITY VISIONING MEETING
MILWAUKEE COUNTY'S CITY CAMPUS
JULY 29TH, 2014**



PUBLIC MEETING OUTCOMES

Although opinions from the attendees varied, there was a consensus to preserve the two-story and five-story buildings at this time. Uses of the buildings ranged from renovating the two-story back to a theater with interrelated retail (ice cream shop, popcorn and candy store) located in the storefronts, to a large-local business anchoring the two-story with offices in the five-story, to creating a cultural or arts center with adjacent green spaces for community gardens. It was felt from several that with the support of large area stake-holders (Harley Davidson, Miller-Coors, Marquette University, Potawatomi, etc.) and established Milwaukee institutions (Milwaukee Public Library, Milwaukee Public Museum, Discovery World, Urban Ecology Center) the site could be a successfully developed and become a reality. Overall, a community-based destination was desired for this site and the overall business district. Participants suggested the development could support the existing local businesses surrounding the area and inspire further development along other streets and sites within proximity. In the future, if the entire site was demolished and developed, participants weren't opposed as long as demolition was to make way for a community-based user with a fully developed, financed plan. It was voiced that Milwaukee County should allow for either rehabilitation of the five and two story, or future demolition and new construction/development. At this point, that would result in demolition of the nine story hospital addition in a way that completes the building enclosure of the five and two-story sections.





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121
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DATE: September 2, 2014

TO: Supervisor Patricia Jursik, Chair, Economic & Community Development Committee

FROM: Teig Whaley-Smith, Economic Development Director, Department of Administrative Services

SUBJECT: Informational Report regarding the Downtown Transit Center and the related land located at 909 E. Michigan Street (the “DTC Site”) (File 14-9)

Summary

The DTC Site is the County’s most exciting opportunity for enhancing public access to the lake, activating public space, and bringing modern public transportation infrastructure into the area. Barrett Visionary Development has been working with the County and City of Milwaukee to develop a plan to meet these public goals. The result is The Couture, a public-private partnership that includes 1.9 acres of outdoor, 24 hour public space, \$68,000,000 of tax revenue to cover public infrastructure or other needs, thousands of construction jobs, and over \$23,000,000 in contracts to Disadvantaged Business Enterprises. The County’s contribution to this partnership would be discounting the land to \$500,000. The project would be owned and developed by Barrett Visionary Development.

This informational report is designed to update the Committee on the key components of the development being proposed at the DTC Site. In order to move the project forward, outside counsel needs to be engaged to draft the appropriate agreements. An amendment to an existing contract has been prepared by Corporation Counsel and submitted under the passive review process. Once agreements have been negotiated with Barrett Visionary Development, then an action file will be prepared for a decision by the County Board.

I. Improved Public Access

Currently the DTC Site does not provide any access to the Lakefront. Pedestrians on Michigan Street are unable to cross Lincoln Memorial Drive without confronting major traffic exiting and entering the freeway (See Figure 1).

The Couture project resolves these issues. As shown by Figure 2, the Couture will keep the bridge to the North to the O’Donnell Parking Structure, but also add connections across



Figure 1: Existing Pedestrian Conditions

Lincoln Memorial Drive to the East and a future connection to the site to the South. Perhaps most importantly, the interior Pedestrian Plaza offers easy access from Michigan Street to the West. Pedestrians, including persons in a wheel chair, can now travel seamlessly from Michigan Street directly to the Lakefront.

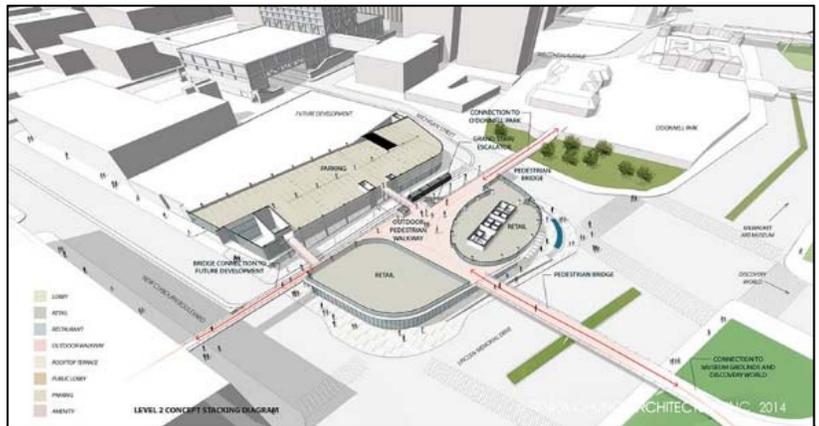


Figure 2: Planned Connections

Full size versions of Figures 2-5, plus additional renderings of the Pedestrian Plaza and other elements of the Couture can be found in Exhibit A.

II. Improved Public Space

Currently the DTC Site includes approximately 65,000 square feet of plaza space on the upper deck. This area is open to the public 24 hours a day, 7 days a week (“24/7 Public Space”). The Couture project will include approximately 81,561 square feet of 24/7 Public Space, a 25% increase. This includes a Public Transportation Concourse, Rooftop Park (See Figure 4), Bike Share Station, Public Plaza and Visitor Walkway (See Figure 3). That’s over 1.6 acres of 24/7 Public Space. This acreage represents 73% of the total site acreage.



Figure 3: Pedestrian Plaza

Currently the DTC site also includes the Harbor Lights room which is open on a controlled/fee basis to the public (“Limited Public Space”). The Couture Project includes 54,893 square feet of similar restaurant and retail space, plus 59,806 square feet of public parking.



Figure 4: Green Roof

Today the combined 24/7 Space and Limited Public Space of the existing site (“Combined Public Space”) is approximately 70,000 square feet. In the Couture, the combined public space is 196,260 square feet, more than 2.8 times as much. This 196,260 of Combined Public Space is 28% of the total building area.

III. Improved Transit Connections

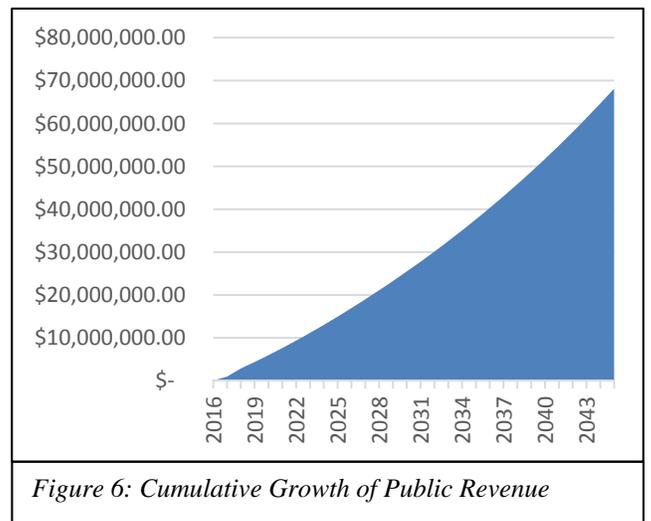
Although called the Downtown Transit Center, currently there are no connections to transit, the DTC Site is used only as a terminal point for buses. The Couture will be Wisconsin’s first connection between County buses, the City Street Car, the BublR Bikes, Public Parking and the pedestrian access to the Lakefront.



Economic Development studies show that an integrated public transportation system is vital to attracting more businesses, cost savings for businesses and cost savings for public infrastructure.¹

IV. Creates Substantial Investment Impact

Currently the DTC Site is not generating any tax revenue. Over a 30 year period, the Couture is expected to generate \$68,000,000 of property taxes. This value can be used to support the \$17,500,000 of public improvements at the Couture and other public improvements as necessary for development of the area. After the necessary public improvements are made these resources can be used to support County, City, Public Schools and Technical Schools. A similar strategy was employed by the County in developing Milwaukee County Research Park which in 2015 will have paid for all necessary infrastructure and result in an estimated \$4.3 million annually to public operations, \$1.05 million of which will come to the County.



In addition to the tax value 2,074 direct and indirect construction jobs and 150 permanent jobs are expected to be created. Furthermore, with a construction contract of \$93,000,000, more than \$23,000,000 of contracts will be awarded to Disadvantaged Business Enterprises.

¹ Federal Highway Administration, “Transportation and Economic Development,” available at http://www.fhwa.dot.gov/livability/fact_sheets/transandeconomics.pdf
September ECD Packet 124

V. Meets Objectives of the Approved Long-Range Plan for the Lakefront

In 2011 the Milwaukee County Board established the Long-Range Lakefront Planning Committee, comprised of officials from Milwaukee County and the City of Milwaukee, as well as representatives from the various lakefront attractions and the business community (File 11-154). Later in 2011, the Milwaukee County Board adopted the Long-Range Lakefront Planning Committee's Report ("Lakefront Plan"), including the goal of developing the DTC Site to a "high-value, multi-story use housing amenities more appropriate to its lakefront location." The Lakefront Plan is attached as Exhibit C. The Lakefront Plan indicates a desire for the DTC site to include an "active street level," "engage pedestrians" and "draw people to the lakefront," with "easy access to the lakefront."² The Couture project accomplishes all of these goals.

VI. Meets Objectives of resolution 12-633

In 2012 the Milwaukee County Board adopted resolution 12-633 supporting the Couture project because of the following elements.

1. *Develop a plan to incorporate the components of the Park East Redevelopment Compact (PERC) into the development agreement in order to provide additional sustainable community benefits that includes disadvantaged business opportunities and verified best faith efforts to employ Milwaukee County racial minorities and women in the project.*

The Couture includes a commitment to 25% of DBE participation and 40% Milwaukee County Resident Hiring.

2. *Identify or develop an element of public attraction within the proposed development and ensure the project does not compete with public use facilities near the site.*

As indicated by Section 1 above, the Couture includes several exciting public elements.

3. *Advise the Committee on Economic and Community Development on the appraised value of the site with the understanding that the County Board expects to receive fair market value for the property.*

With the Couture generating \$68,000,000 of public revenue and including \$17,500,000 of public amenities, the County has negotiated a deal far above the raw value of the land of approximately \$7,000,000.³

² See Long Range Lakefront Committee: The Enhancement of Milwaukee's Most Valuable Property, at p5 (attached as Exhibit C).

³ The appraisal is for \$9.6 Million less \$700,000 for demolition. It is now known that the demolition is closer to \$2 Million, consequently the net value would be \$7.6 Million. The Appraisal is attached as Exhibit B.
September ECD Packet 125

4. *Work with the Parks Director and the Wisconsin Department of Natural Resources to determine if any portion of the development site is in conflict with the lakebed public trust doctrine.*

The State of Wisconsin has specified that the development site and other applicable sites west of the 1913 line are "not part of the lake bed of Lake Michigan" (Wis. Stats. Sec. 30.2038).

VII. Deal Structure

The transaction that will be proposed is a sale of the land to Barrett Visionary Development for \$500,000. BVD would be responsible for the demolition of the site which is currently estimated to be approximately \$2,000,000. The County would not be making any guarantees or other financial contribution to the project. The \$500,000 would be deposited as an indemnity to the title company. Once the indemnity is released the funds would be available to the County.

Given the complexity of this transaction, it is our recommendation that the County engage outside counsel, Reinhart Boerner Van Deuren, s.c ("Reinhart") to prepare the Offer and Development Agreement. Reinhart has assisted the County before in developing such documents for the Park East and other transactions. Reinhart is also familiar with the complex title issues of the DTC Site.

A contract amendment for \$50,000 has been prepared by Corporation Counsel to extend the existing Reinhart contract. The amendment has been submitted for passive review to the Board.

Once an Offer and Development Agreement are prepared, an action file would be presented to the County Board.

VIII. Financial Analysis

Although the Economic Development Department has thoroughly reviewed the developer's proposal, as an extra measure of protection, the County has engaged SB Friedman to do an independent financial analysis verifying the reasonableness of developer's assumptions. Once the report is completed it will be presented to the County Board for review.

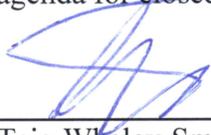
IX. Recommendation

This is an informational report and there is currently no request. When a request is made, it will be our recommendation that the County sell the DTC site to Barrett Visionary Development for \$500,000, pursuant to the terms outlined in Sections VI(1) and VII above.

X. Fiscal Note

A fiscal note will be prepared when a request for action is made. At this point it is estimated that there would be no fiscal impact for 2014, as during the due diligence period the County would continue to be entitled to income and be obligated to pay existing expenses. For 2015, the fiscal impact would be the net sales proceeds of \$500,000.

In summary, this informational report is designed to update the Committee on the key components of the development being proposed at the DTC Site. In order to move the project forward, outside counsel needs to be engaged to draft the appropriate agreements. An amendment to an existing contract has been prepared by Corporation Counsel and submitted under the passive review process. Once agreements have been negotiated with Barrett Visionary Development, then an action file will be prepared for a decision by the County Board. I respectfully request that the file be placed on the agenda for closed session.



Teig Whaley-Smith
Economic Development Director, Department of Administrative Services

cc: Chris Abele, County Executive
Marina Dimitrijevic, County Board Chairwoman
Economic and Community Development Committee Members
Don Tyler, Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Raisa Koltun, Director of Legislative Affairs, County Executive's Office
Julie Esch, Director of Operations, DAS

Exhibit A – Couture Presentation
Exhibit B – Lakefront Plan
Exhibit C – Appraisal



the
couture
MILWAUKEE

THE COUTURE AT A GLANCE

\$122 MILLION TOTAL PROJECT COST

44 STORIES / 700,000 SQUARE FEET

PUBLIC PLAZAS, PARK & PEDESTRIAN BRIDGES

302 MARKET RATE APARTMENTS

54,893 SQUARE FEET OF DESTINATION RESTAURANT & RETAIL SPACE

570 PARKING SPACES (147 PUBLIC SPACES)

26% OF THE TOTAL SPACE IS FOR PUBLIC USE

2,074 JOBS (1,120 IN CONSTRUCTION)

150 PERMANENT JOBS

CURRENT ANNUAL TAX REVENUE: **\$0**
(CURRENT TRANSIT CENTER IS A COST TO TAXPAYERS TO MAINTAIN)

\$68,158,864 NEW TAX REVENUE OVER 30 YEARS FOR PUBLIC INFRASTRUCTURE AND OTHER PUBLIC INVESTMENTS

CREATE A NEW DEMAND BY OFFERING A VITAL HOUSING OPTION FOR **600** NEW DOWNTOWN RESIDENTS

1 MILLION ANNUAL VISITORS



A Catalytic Part of the Lakefront Gateway Project

A 44-story mixed-use skyscraper, The Couture, will play an essential and vital role in the transformation of Milwaukee's Lakefront Gateway. It has been designed, from the ground up, to serve as a key thoroughfare connecting our lakefront and cultural amenities with our downtown – through public plazas and parks, pedestrian bridges and a new lakefront stop for the proposed streetcar. The result: The Couture will replace an underused "bus barn," with a true multimodal transit hub for our community.

In the process, it will bring new vibrancy to the lakefront through a new destination site, including 600 new downtown residents, high-end retail and restaurants and generating millions of dollars in new tax base and creating thousands of new jobs.

Milwaukee County's Return on Investment

26% OF THE SITE WILL BE USED FOR NEW PUBLIC AMENITIES
(More public space than at the current, underused "transit center.")

SUBSTANTIAL INVESTMENT IN NEW PUBLIC INFRASTRUCTURE
ENHANCING PUBLIC TRANSIT, GREEN SPACE, PUBLIC ACCESS AND CONNECTIONS

\$3 MILLION IN DEVELOPER-FUNDED SITE DEMOLITION AND PREP COSTS

\$.5 MILLION IN DEVELOPER-FINANCED CONTINGENCY FUND FOR LEGAL COSTS

\$68,158,864 TOTAL NEW TAX REVENUE OVER 30 YEARS
FOR PUBLIC INFRASTRUCTURE AND OTHER PUBLIC INVESTMENTS

\$610,000 IN NEW ANNUAL MILWAUKEE COUNTY TAX REVENUE AT STABILIZATION

PUBLIC AREAS:

26%

OF TOTAL BUILDING AREA

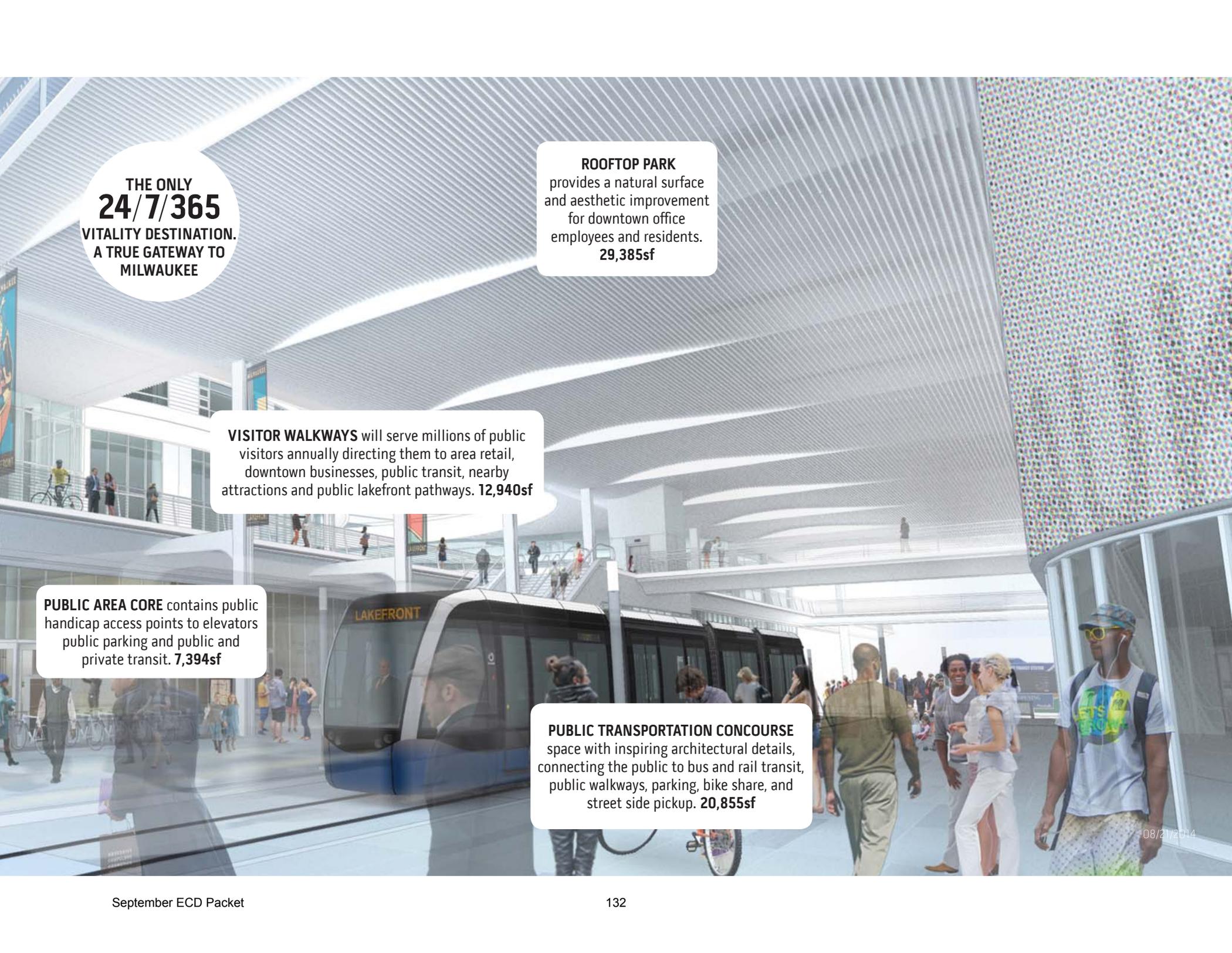
(178,000 square feet)

TIF funding for the project would be solely used to support public benefits and amenities and will not be used for any parts of the site that are not open to the public or are income-producing for the developer.



PEDESTRIAN VISITOR PLAZA provides a welcoming public space as visitors move through to their destination.
9,150sf

PUBLIC TRANSIT CURB CUT integrates existing mass transit



**THE ONLY
24/7/365
VITALITY DESTINATION.
A TRUE GATEWAY TO
MILWAUKEE**

ROOFTOP PARK
provides a natural surface
and aesthetic improvement
for downtown office
employees and residents.
29,385sf

VISITOR WALKWAYS will serve millions of public
visitors annually directing them to area retail,
downtown businesses, public transit, nearby
attractions and public lakefront pathways. **12,940sf**

PUBLIC AREA CORE contains public
handicap access points to elevators
public parking and public and
private transit. **7,394sf**

PUBLIC TRANSPORTATION CONCOURSE
space with inspiring architectural details,
connecting the public to bus and rail transit,
public walkways, parking, bike share, and
street side pickup. **20,855sf**

08/21/2014

SUMMARY OF TIF FUNDING FOR PUBLIC AREAS

PUBLIC AREA CORE/Common Space
7,394sf

PUBLIC TRANSPORTATION CONCOURSE
20,855sf

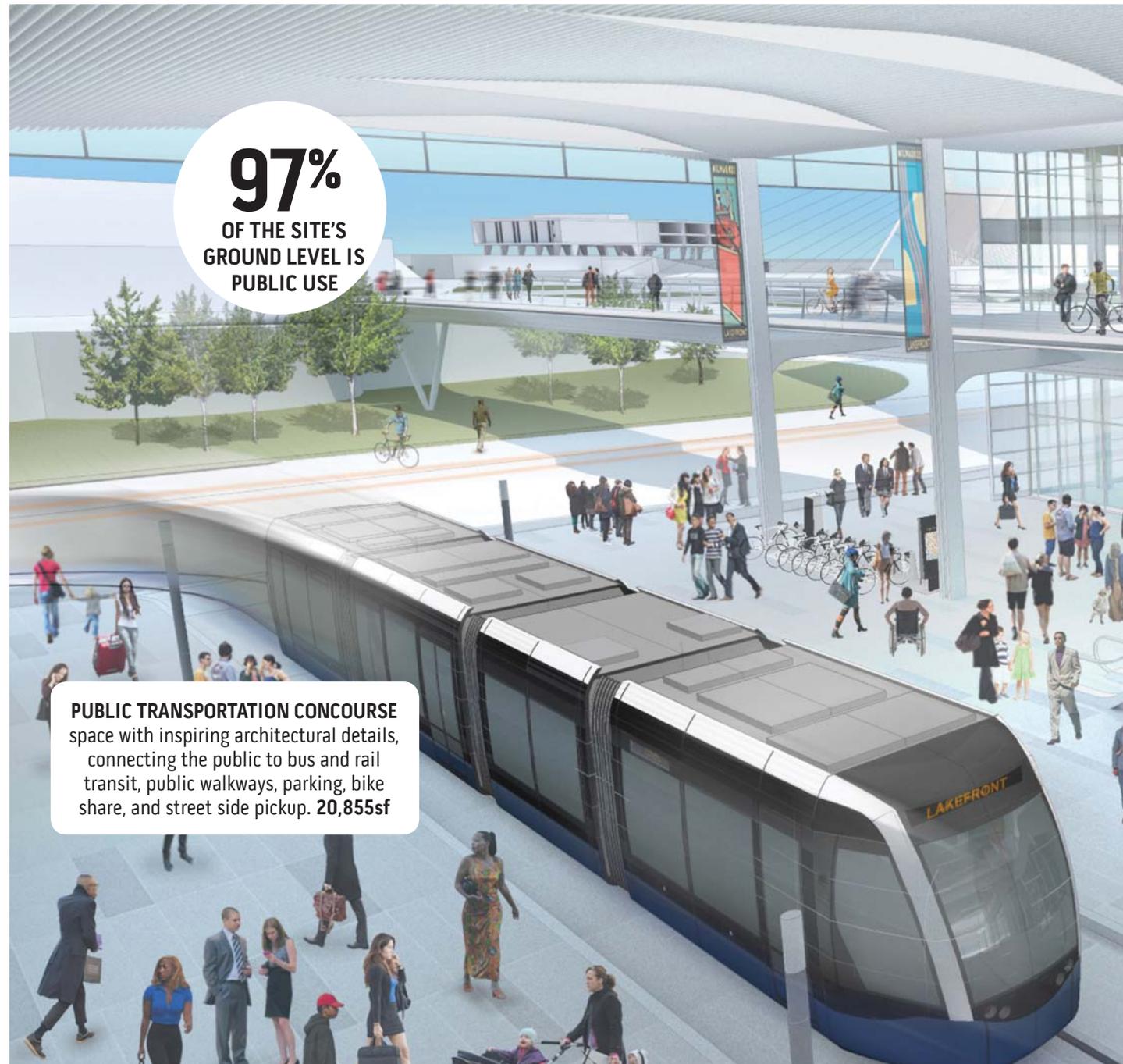
ROOFTOP PUBLIC PARK
29,385sf

PUBLIC ACCESS STAIRS TO WALKWAYS
1,715sf

PUBLIC PEDESTRIAN VISITOR PLAZA
9,150sf

VISITOR WALKWAYS
12,940sf

TOTAL PUBLIC AREA:
81,561sf





VISITOR WALKWAYS will serve millions of public visitors annually directing them to area retail, downtown businesses, public transit, nearby attractions and public lakefront pathways. **12,940sf**

PUBLIC ACCESS STAIRS AND WALKWAYS provide the necessary capacity for moving large crowds through this dynamic hub. **1,715sf**

26%
OF THE BUILDING
AREAS ARE FOR
PUBLIC USE

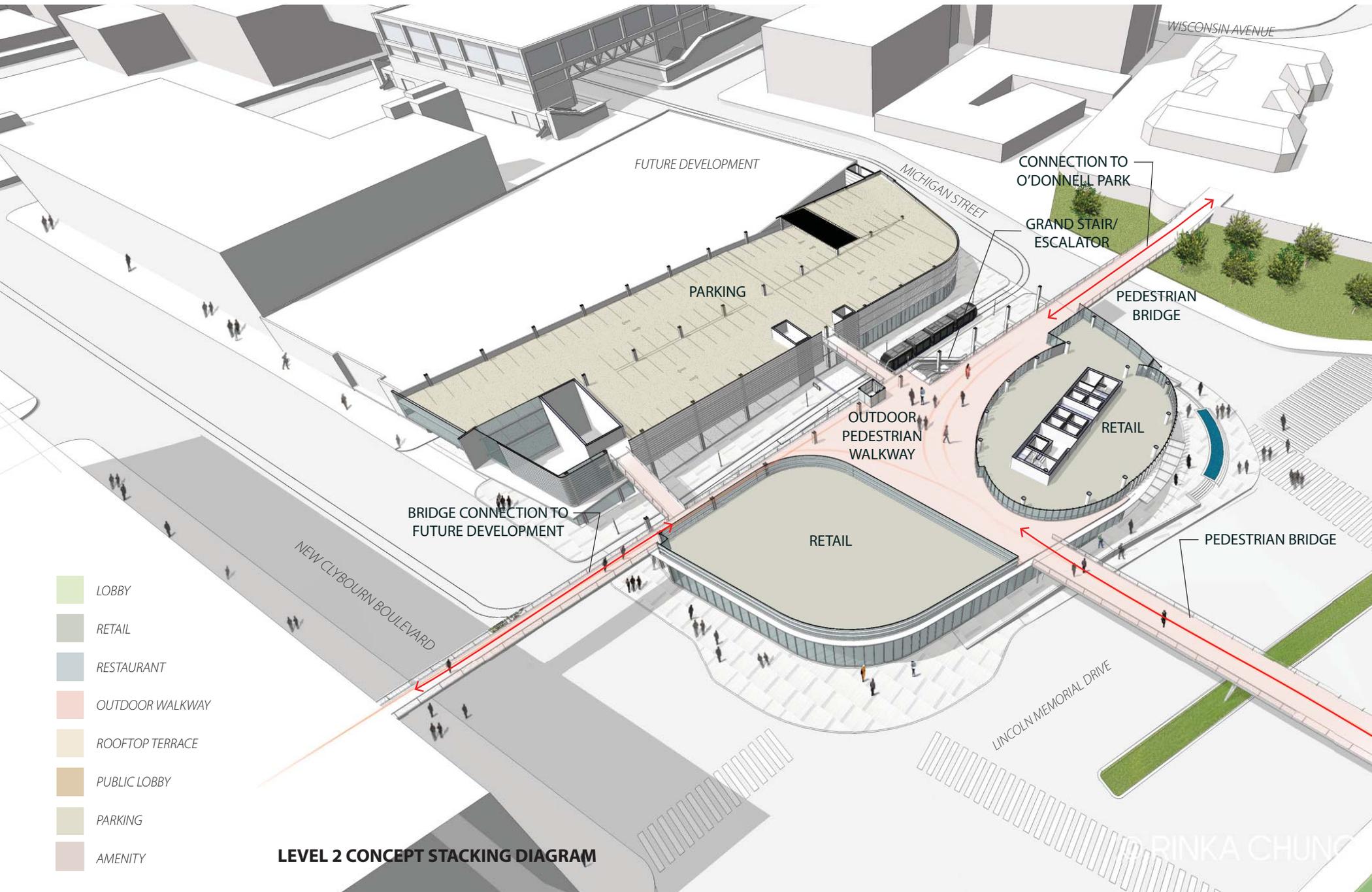






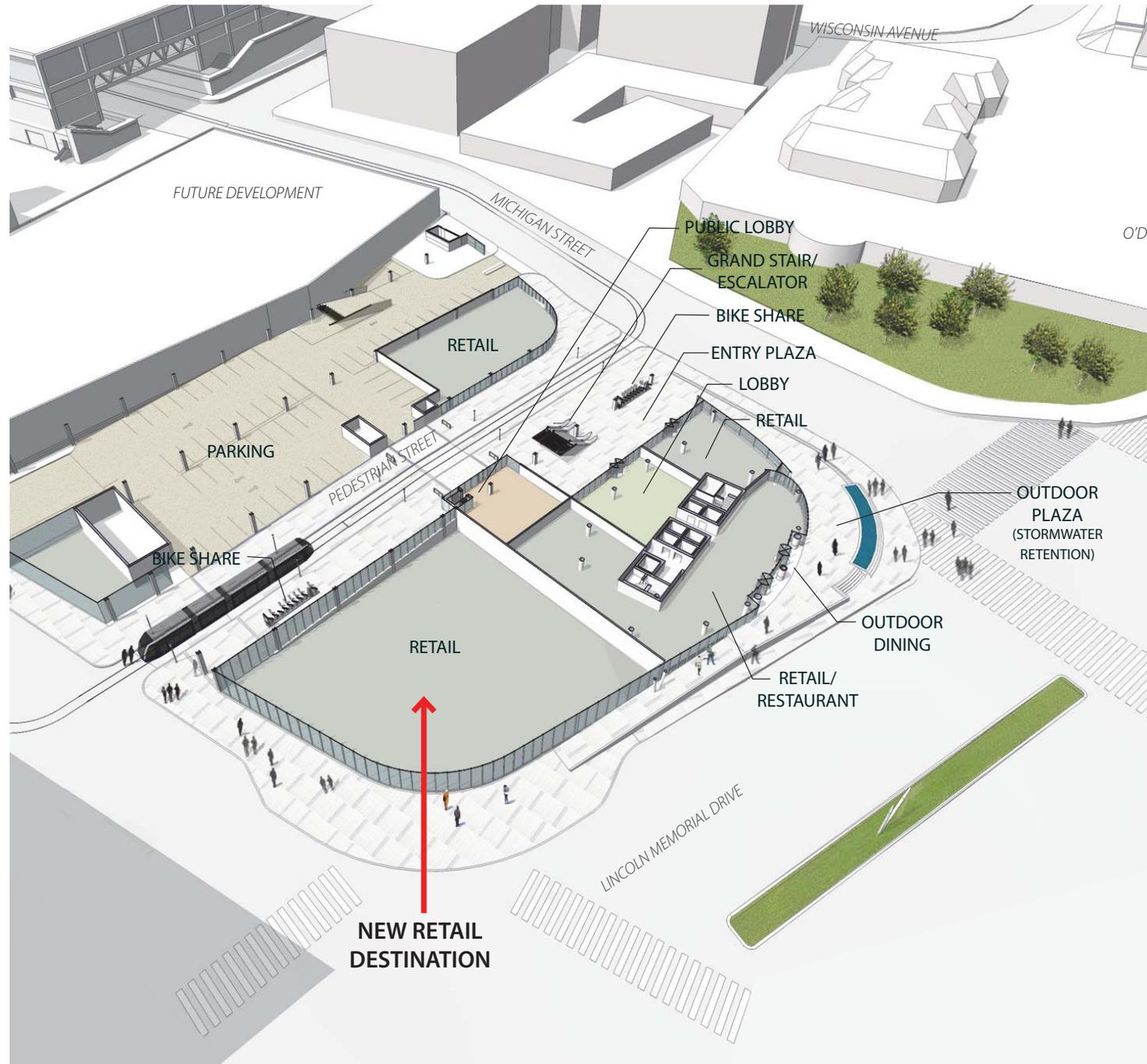
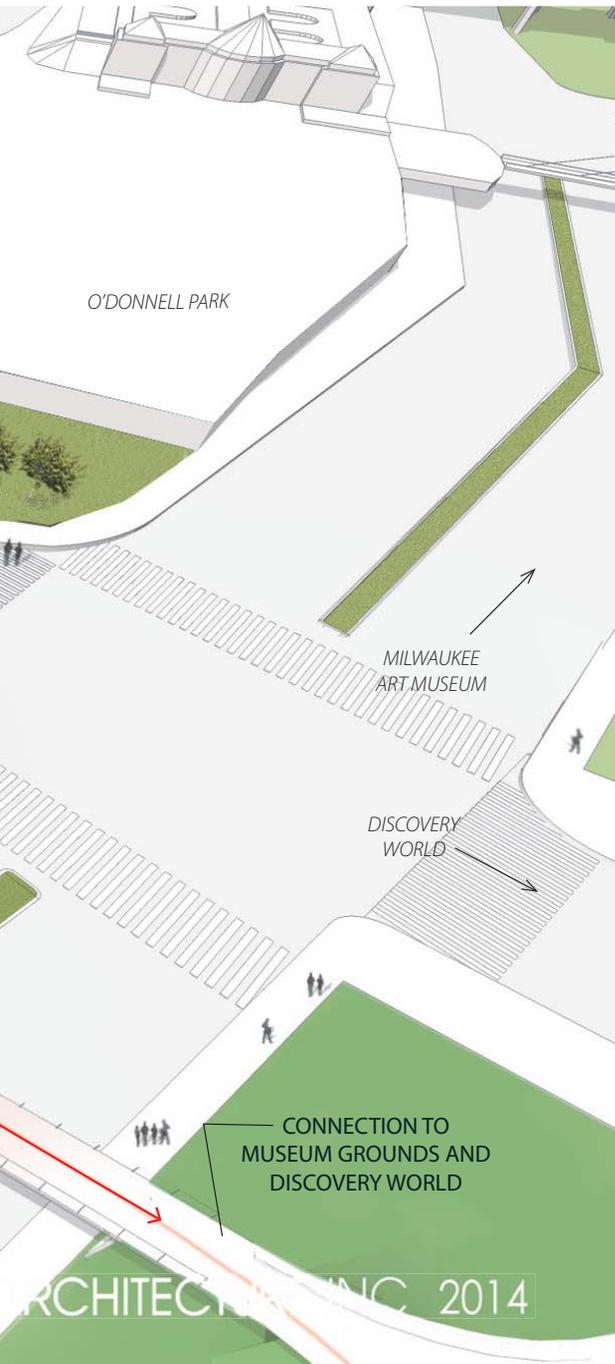


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LEVEL 2 CONCEPT STACKING DIAGRAM

RINKA CHUNG







Why The Couture Could Wow the Nation

Few cities have built towers this tall (44 stories) since 2000. This could be a coup for Milwaukee.

(Second of two-part series in Urban Milwaukee. online at urbanmilwaukee.com)

By David Holmes - Aug 27th, 2013 01:43 pm

As a long-time resident of the Milwaukee area, I was excited when the proposal for the 44-story The Couture tower was announced in 2012. As my earlier story found, Milwaukee has out-performed most other major U.S. cities since 2000 in the construction of high-rise (at least 18 stories) buildings. However, even within the context of this remarkable overall performance, the proposal for The Couture tower seems extraordinary.

That became clear as I did a comparison to other cities, again using data on U.S. high rises at skyscraperpage.com. I tallied all residential towers having 44 or more stories completed in the 67 largest U.S. cities since 2000 (i.e., the 50 largest U.S. cities by population plus 17 cities that are the principal cities in one of the 50 largest U.S. metropolitan areas). Table 1 presents a summary showing there are just 11 major U.S. cities in which at least one 44-story or higher residential tower has been completed since 2000, or is currently under construction.

As shown, the list of major U.S. cities building residential towers of at least 44 stories in this century is short. Furthermore, the vast majority of these towers were constructed during the real estate bubble. For

instance, of the 32 residential towers completed this century in Chicago, 16 began construction during the 3-year period from 2005-07, and only 1 during the subsequent 3-year period from 2008-10 coinciding with the housing bust.

To better appreciate the trends in high-rise residential construction occurring in the post-bubble or “new normal” economic environment, I separately tabulated totals for buildings completed during the past three years (2011-13) as well as buildings currently under construction. Only 4 major U.S. cities are currently in this “club” – Milwaukee would be the 5th if and when The Couture begins construction. It is probably worth noting some of the major U.S. cities that are absent from Table 1 – every other city in the Midwest except Chicago; every major city in Florida except Miami; every major city in Texas except Austin; and the cities of Boston, Portland, and Seattle.

I suspect three factors may play a role in Milwaukee being the locale for a high-rise residential development of this magnitude. The first is an exceptional site. The second is a talented developer, Rick Barrett, who has already managed to complete one significant high-rise building in the post-bubble economic environment (the 30-story The Moderne). The third is a surrounding environment in the nearby downtown and lakefront areas of Milwaukee that is arguably one of the top urban environments for any major city in the U.S. (even if this fact is not fully appreciated by many long-time residents or the many Americans who have not yet had the good fortune to visit Milwaukee).

U.S. Cities with 44-Story or Higher Residential Towers Built Since 2000

| CITY | #Buildings Completed 2000-2013* | Max Floors | #Buildings Completed 2011-2013* | Max Floors | #Buildings Under Construction* | Max Floors |
|---------------|---------------------------------|------------|---------------------------------|------------|--------------------------------|------------|
| NY City | 32 | 76 | 4 | 76 | 14 | 89 |
| Chicago | 32 | 98 | 2 | 45 | 4 | 59 |
| Miami | 28 | 65 | 0 | 0 | 4 | 46 |
| Las Vegas | 14 | 64 | 0 | 0 | 0 | |
| Atlanta | 4 | 52 | 0 | 0 | 0 | |
| Philadelphia | 2 | 45 | 0 | 0 | 0 | |
| San Francisco | 2 | 58 | 0 | 0 | 2 | 50 |
| Austin | 2 | 56 | 0 | 0 | 0 | |
| Los Angeles | 1 | 55 | 0 | 0 | 0 | |
| Charlotte | 1 | 50 | 0 | 0 | 0 | |
| Denver | 1 | 45 | 0 | 0 | 0 | |

*Totals are as of June 2013

Although the Milwaukee Art Museum addition has become a nationally-recognized symbol of Milwaukee's urban renaissance, the reality is that any city having enough wealthy and generous donors could build an architecturally notable museum, concert hall, or other civic monument. But a market-driven tower built to make money in the private sector – that's a different matter. The Couture could in some respects be even more important in changing national perceptions of Milwaukee: it would be a striking physical symbol of Milwaukee's desirability as a place to live, versus a place to give. You can't fake quality of life, or quality of environment – and Milwaukee's downtown and lakefront have both.

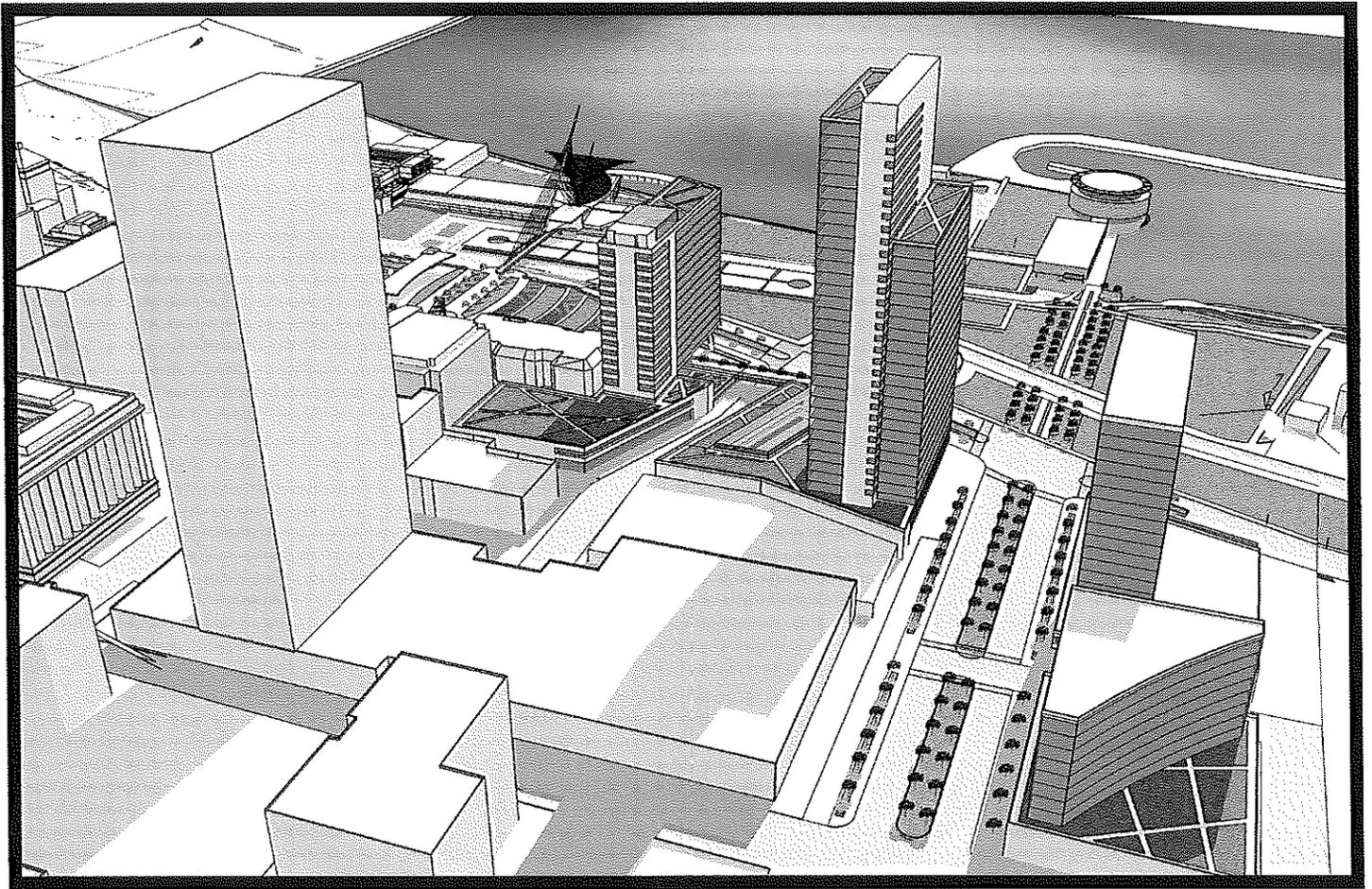




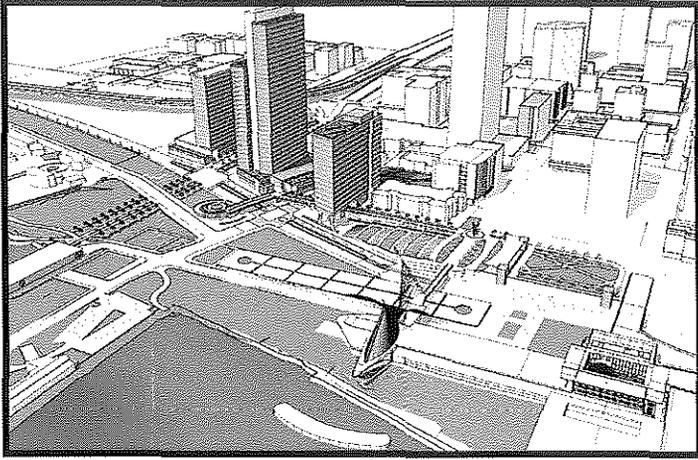
Barrett Visionary Development
260 East Highland, Suite 401
Milwaukee, Wisconsin 53202
414 507 5657



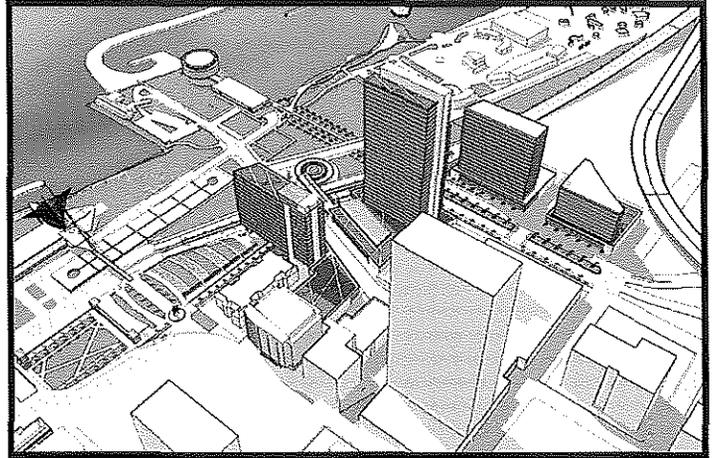
AUGUST 24, 2011



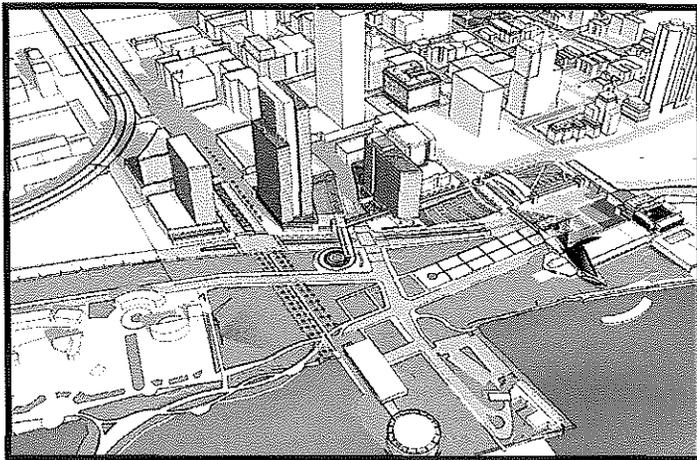
CLYBOURN STREET FACING EAST



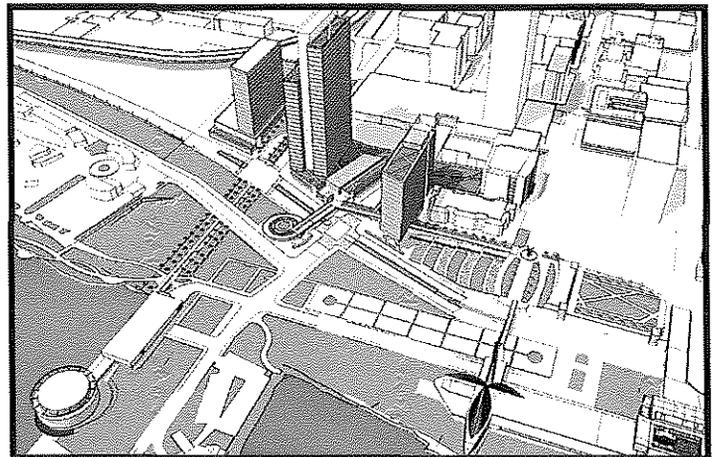
SOUTHWEST VIEW



SOUTHEAST VIEW



NORTHWEST VIEW



SOUTHWEST VIEW

Preamble

We, the Long-Range Lakefront Planning Committee, do hereby accept and present to the Milwaukee County Board of Supervisors the following recommendations regarding the site and use of the Downtown Transit Center and O'Donnell Park and Parking Structure for long range planning for the development of the lakefront.



Brian Taffora, Director, Economic Development, Milwaukee County



Molly Gallagher, Board President, Betty Brinn Children's Museum



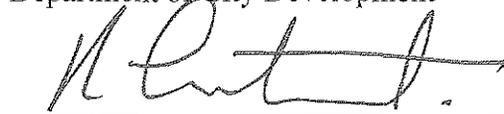
David Drent, Executive Director, War Memorial



Rocky Marcoux, Commissioner, Department of City Development



Daniel Keegan, Director, Milwaukee Art Museum



Robert Greenstreet, Professor, Dean, University of Wisconsin - Milwaukee



Michael Cudahy, Board Chairman, Discovery World



Donald W. Layden, Jr., Quarles & Brady, LLP, Milwaukee World Festival, Inc.



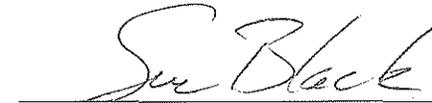
Gerry Broderick, Supervisor, 3rd District, Milwaukee County



Nik Kovac, Alderman, 3rd District, City of Milwaukee



Erbert Johnson, President COE, North Milwaukee State Bank



Sue Black, Chair Director, Department of Parks, Recreation and Culture, Milwaukee County



William Lynch, Chair, Lakefront Development Advisory Commission

Acknowledgements

The Long-Range Lakefront Planning Committee would like to acknowledge and extend its heartfelt gratitude to the following individuals who have made the completion of this report possible:

Glenn Bultman, Research Analyst, Milwaukee County Board of Supervisors, whose unique encyclopedic knowledge of the study area made him exceedingly useful in compiling this information.

Charlotte Perko, Intern, Milwaukee County Department of Parks, Recreation and Culture, for her dedicated support and exemplary assistance in administering this committee and in organizing this report.

Paul Kuglitsch, Contract Services Officer, Milwaukee County Department of Parks, Recreation and Culture, for his tireless efforts in editing, formatting and finalizing this report.

Greg Uhen, Managing Partner of Design, Eppstein Uhen Architects, for his time and his technical expertise, both of which he provided at no expense to the committee. Greg's support is truly what enabled this committee to combine otherwise nebulous concepts into a final unified and coherent vision.

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Prologue

Milwaukee's lakefront is a unique destination among American cities, given its location at the edge of downtown Milwaukee, its long and beloved history of public parks, greenways, and public access, its proximity to historic neighborhoods and businesses, and its well-established cultural assets. Unlike many other cities located on bodies of water, Milwaukee is both an affordable and an accessible city. **Milwaukee's park-like lakefront immediately adjacent to its Downtown business district is a unique feature unlike many other lakefront cities.** The region's embrace of water as a critically important economic development asset only serves to enhance the lakefront's importance as a destination, a best-environmental-practices example, and an economic development opportunity for each generation of Milwaukee residents to embrace, improve and protect.

The lakefront has a rich history tied to the development of the community, its industry, and in recent times, its rising popularity as a major destination. **In recent years the lakefront has developed a personality that arguably sets it on a path for future enhancement** that, while preserving its open, park-like character, could add significant value to both the region and within the existing fabric of the lakefront. It is this fabric and character that offers both the substrate and opportunity upon which to advance the goals of the Long-Range Lakefront Planning Committee.

There is power and impact in what has already been established: a unique mix of natural, recreational, cultural, educational, and entertainment experiences at the lakefront. Any future development should build upon that important foundation rather than exist counter to it. Three important Museums and a Memorial (Discovery World, Betty Brinn Children's Museum, the Milwaukee Art Museum and The War Memorial) adjacent to the world's largest music festival and ethnic festival grounds (Summerfest and Henry Maier Festival Park) and situated at two large parks (among others), Veterans Park, one of the great urban park settings, and Lakeshore State Park, the state's only urban state park, offer unique destination experiences. The lakefront's connection to Downtown, historic neighborhoods to the north, and a robust urban residential and retail community to the south establishes the lakefront as a premier location for the "next new" in Milwaukee. **Acknowledging what it already is should be both the catalyst and the framework for future development.** Our vision of Milwaukee's lakefront demands a comprehensive and deliberative planning process.

Executive Summary

After meeting for four months, gathering all necessary background information and considering a wide range of options for the development of the lakefront from Van Buren Street east to Lake Michigan and from Veteran's Park south to the Interstate 794 Interchange, specifically including the Downtown Transit Center, O'Donnell Park and other assets such as parkland and lakebed grant properties, the Committee recommends the following:

Recommendations:

1. **The redevelopment of the Downtown Transit Center** site into a multi-story, high-value use more appropriate to its location at the lakefront.
2. **The installation of a bicycle/pedestrian lane to and over the Hoan Bridge**, connecting Downtown to southern Milwaukee for all modes of transportation.
3. **The reconfiguration of the Lincoln Memorial Drive/Michigan Street intersection** to provide an efficient and safe means of pedestrian conveyance, maintaining a balance with motorized transportation, and creating a revitalized front door to the city of Milwaukee.
4. **The reconfiguration of the Lake Interchange** ramps to free up valuable space for development and increase connectivity from Downtown and the Third Ward to the lakefront.
5. **The continuation of O'Donnell Park** in its current function in the short-term, while considering redevelopment options long-term.
6. **Increased accessibility** to and along the lakefront for all modes of transportation and greater connectivity to the City.

This Committee also recommends the development of a lakefront master plan to aid in the implementation of these recommendations and other areas some Committee members felt were important. This document should include a more detailed economic development and financial plan for the lakefront. The reduction of the seasonality of the lakefront should be one of the goals of the implementation of the master plan, creating a lakefront that draws visitors throughout the year.

With redevelopment, new businesses would be attracted to the area, which would draw new patrons to the lakefront. This redevelopment should also include a vision for parks and public spaces to create an attractive, innovative lakefront that improves the connectivity of Downtown and the lakefront. Through these recommendations, Milwaukee's lakefront will become a fantastic, world-renowned front door to the city, county, and state.

In planning for the future of the lakefront, we have a tremendous opportunity to do something spectacular for the state of Wisconsin, for Milwaukee County and for the city of Milwaukee – but, most importantly, for our citizens and the visitors to this fantastic resource. The 1989 Lakefront Master Plan stated that this area “is considered to be the most heavily used recreational land in Wisconsin”.

Let's get this done right and with a sense of urgency and pride.

-Sue Black

Introduction

In October 2010, the City of Milwaukee drafted the Downtown Area Comprehensive Plan as a vision for the future of Milwaukee. This plan included recommendations for the improvement of the lakefront area east of Van Buren Street. With the introduction of this plan, other community stakeholders, including Milwaukee County, wanted further discussion of the future of the lakefront, specifically the Downtown Transit Center and O'Donnell Park.

This led to the creation of the Long-Range Lakefront Planning Committee ("Committee"), comprised of various lakefront stakeholders, with the mission to create a shared vision for the future of the lakefront, from Van Buren Street east to Lake Michigan, including the Downtown Transit Center, O'Donnell Park and other assets such as parkland and lakebed grant properties (see attached map, Appendix A). The Committee is comprised of government officials from Milwaukee County and the City of Milwaukee, as well as representatives of the public, including lakefront attractions and business community. This Committee hopes to see the implementation of a long-term vision for the lakefront that will turn Milwaukee's back door into its front door.

The Committee's plan for the lakefront envisions an area with improved connectivity to Downtown and between the north and south lakefronts. Improved pedestrian access and safety would draw people to this area to enjoy new businesses, public spaces, and attractions. This will help weave Downtown to the lakefront and create a more fluid transition between these areas.

The primary sites under consideration by the Committee are the Downtown Transit Center and O'Donnell Park. Both sites are owned by Milwaukee County, with the Transit Center being under the jurisdiction of the Department of Transportation and Public Works and O'Donnell under the Department of Parks, Recreation and Culture. The Downtown Transit Center was built as a turnaround hub for buses at the end of their routes and as a transfer location for transit users. It also houses a rentable banquet area, the Harbor Lights Room, managed by the Zilli Hospitality Group. Their contract with the Parks Department expires in 2012. O'Donnell Park houses the Miller Brewing Company Pavilion, a rentable banquet facility, Coast restaurant, managed by the Zilli Hospitality Group, Betty Brinn Children's Museum, a terrace, and a parking garage with over 1,000 parking spaces. Betty Brinn's contract with the Parks Department expires in 2033, while the Zilli Hospitality Group's contracts for Coast and the Miller Pavilion expire in 2015. Although the parking structure was closed for repairs for one year, it has now reopened.

Previous reports about Milwaukee's lakefront have suggested maximizing public access through measures such as an extended network of pedestrian pathways through lakefront parklands, the establishment of a connection between the RiverWalk and lakefront pathways, and continuous bikeways through lakefront parks and over the Hoan Bridge (City of Milwaukee, 1994). Plans in 1994 and 1999 also called for increased public access to the Henry Maier Festival Grounds, including access for pedestrians and cyclists around the perimeter of the grounds, as well as access to certain parts of the grounds year round except during festivals and special events. These reports also expressed a desire to expand the Third Ward grid east, improving its connectivity to the lakefront area. The sections of previous reports regarding lakefront development are attached to this report in Appendix B.

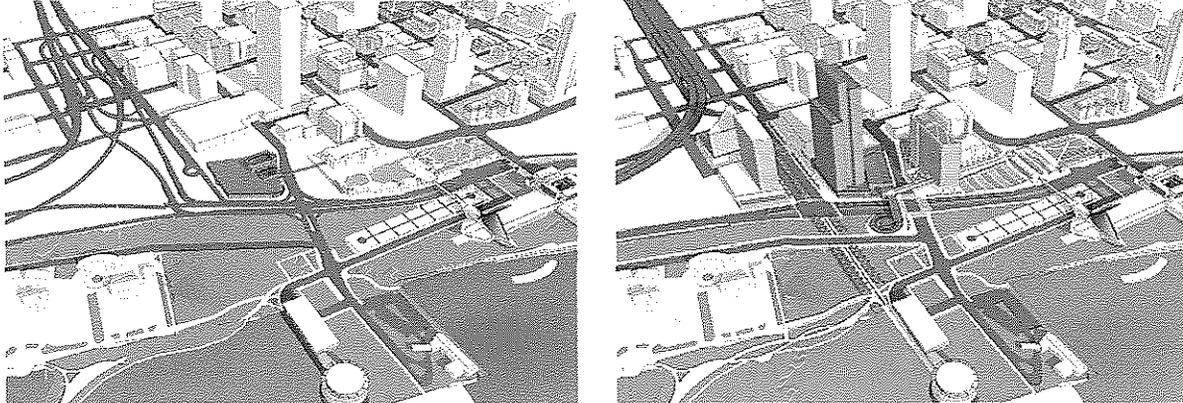
Challenges in the development of this lakefront plan include land use restrictions imposed by the public trust doctrine, lakebed grant restrictions, and zoning requirements. The public trust doctrine states that all navigable waters must be held in trust by the State for public use forever. This limits the activities that can occur near bodies of water that may hinder the public's use and enjoyment of the water. The lakebed grant restrictions limit the uses of filled lakebed land. Some of these areas can only be used for parks and open space, navigation, or public transportation. Determining the exact boundary of the lakebed grant land was a challenge, but these restrictions must be recognized and kept in mind during the development planning process. The zoning ordinances within this area include C9G (mixed activity), C9F(A) (office and service) and PK (park). These ordinances impose restrictions on the kind of activity that can take place in these parcels, but allow some limited and special uses with obtained permits. Please see Appendix C for more detail about these land use restrictions.

Working together with various stakeholders, the Long-Range Lakefront Planning Committee has created a long-range vision for the lakefront that will promote economic growth and development. These recommendations, if realized, will add economic and destination value to this area and promote Milwaukee to residents as well as tourists. These recommendations reduce the seasonality of the lakefront, making the lakefront more attractive to residents and visitors throughout the year, rather than during warmer months. Milwaukee has a unique lakefront that should be enhanced and celebrated, and hopefully these recommendations will make this a reality.

Chapter 1 – Recommendations

The following three recommendations are believed to be the timeliest issues and therefore should be achieved in the short-term. These outcomes, if accomplished, would set the tone for additional long-term lakefront development.

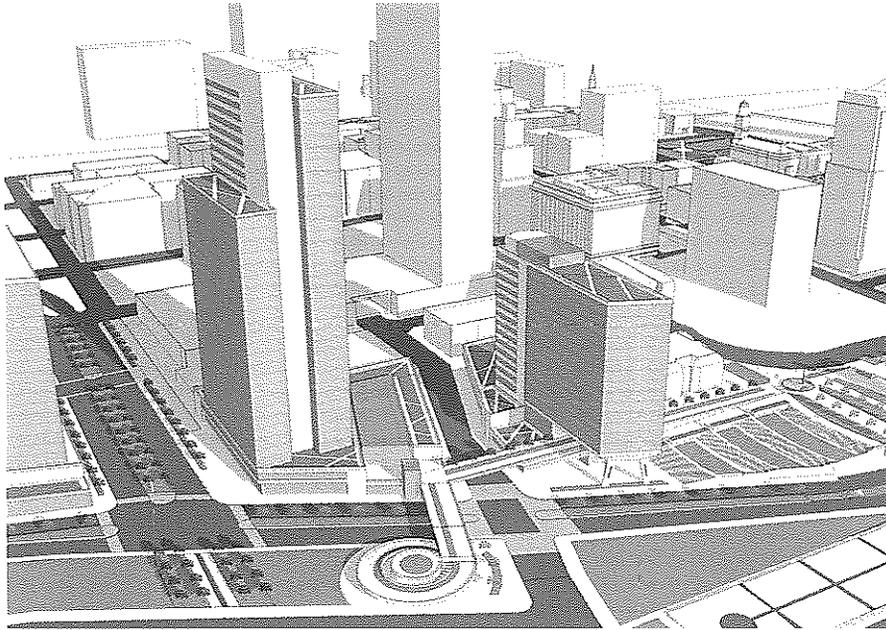
1.1 Downtown Transit Center



The Committee recommends that the Downtown Transit Center site be redeveloped with a high-value, multi-story use housing amenities more appropriate to its lakefront location.

- This structure could be a key component to the overall vision of weaving Downtown Milwaukee to the lakefront. The new site should add value to the area and complement the existing lakefront development and structures.
- The redeveloped site's characteristics and uses should draw visitors and residents to the lakefront, connecting the lakefront to Downtown and generating economic opportunities and tourism.
- Discussions with business community stakeholders could provide the new site's core tenant or tenants.

The redevelopment of the Transit Center site should accommodate public access to the lakefront and its amenities. The design of the structure should include an active street level to engage pedestrians and welcome them to the lakefront. The new site should include characteristics that draw people to the lakefront, such as public green space. Features such as atriums, terracing plazas, or winter gardens would assist in drawing the public to and through this site to the lakefront. This should be a comfortable, accessible site providing easy access to the lakefront.



Other Considerations.

- There should be at least an equivalent amount of green space in the new development as what currently exists outside the Harbor Lights Room. The development for this site should include a landscape plan, providing access to parks and green spaces that are connected with the surrounding area and the lakefront. This site has potential for extraordinary lakefront views, but the plan needs to provide for a better reason for people to pass through the public space to enjoy it. This could be a point at which a pedestrian friendly means for crossing from Downtown to the lakefront could be installed.
- The space should also showcase best management practices for environmental impact, especially storm water management, demonstrating Milwaukee's environmental stewardship.
- The short-term design for the space should accommodate the overall comprehensive plan for the area, including long-term plans for Clybourn Street.
- A development plan that adds destination value consistent with the amenities and other features already established at the lakefront would draw visitors and citizens to the lakefront. Adding value to the already-established Museum District would be a key to a successful program.
- The developable footprint of this site could double if joined with the adjacent U.S. Bank property directly to the west.
- The costs and benefits of relocating Transit Services to another site and the federal hurdles that still need to be overcome need consideration. The developer of this site should include these costs in their proposal, and a new or unpaid burden to taxpayers should not result. The Intermodal Station might be a site option for the relocation of transit services.

Next Steps.

The Transit Center's construction was partially funded through a federal grant, and a process will need to be undertaken by the County Board with the Federal Transit Administration (FTA). This

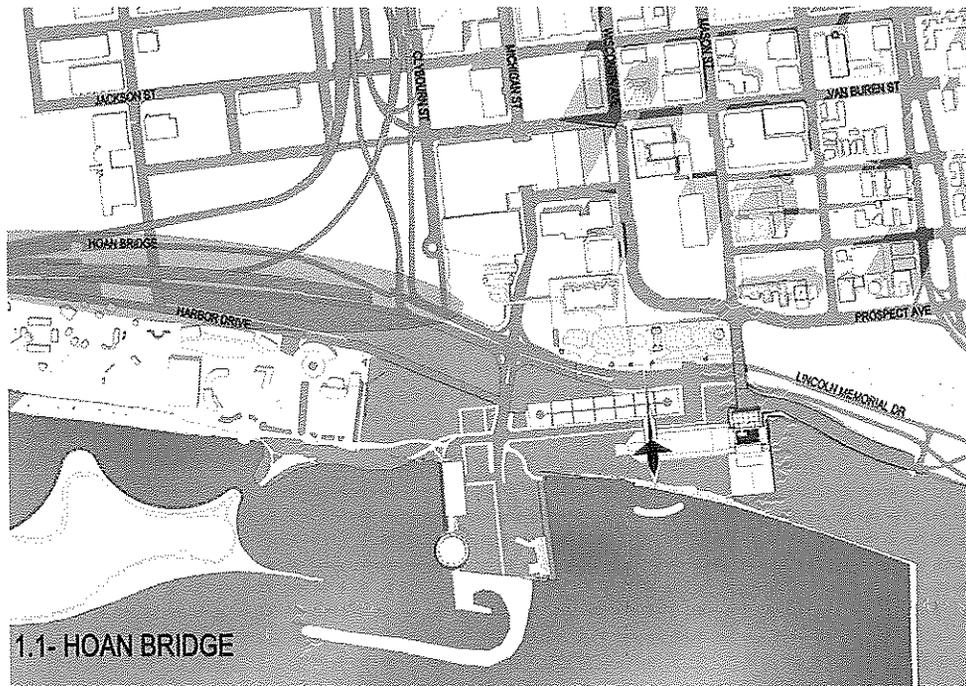
process includes an introduction of information about the Transit Center, such as the interest to lease or sell the facility, why the property is being declared surplus, and plans for an alternative site for transit. The FTA will then determine the process the Board must follow to achieve redevelopment of this site.

It was determined by the Wisconsin Department of Natural Resources that the Transit Center is not located on lakebed, and therefore is not subject to public trust doctrine.

The site should be actively marketed to attract developers. A tenant or tenants need to be found for this site in order to make redevelopment a reality. Various stakeholders from the Milwaukee business community have met and should continue meeting to discuss this subject.

The County Board should be presented with an RFP for approval as soon as the necessary planning is completed demonstrating the Downtown Transit Center site as the point of transition between Downtown and the lakefront.

1.2 Hoan Bridge



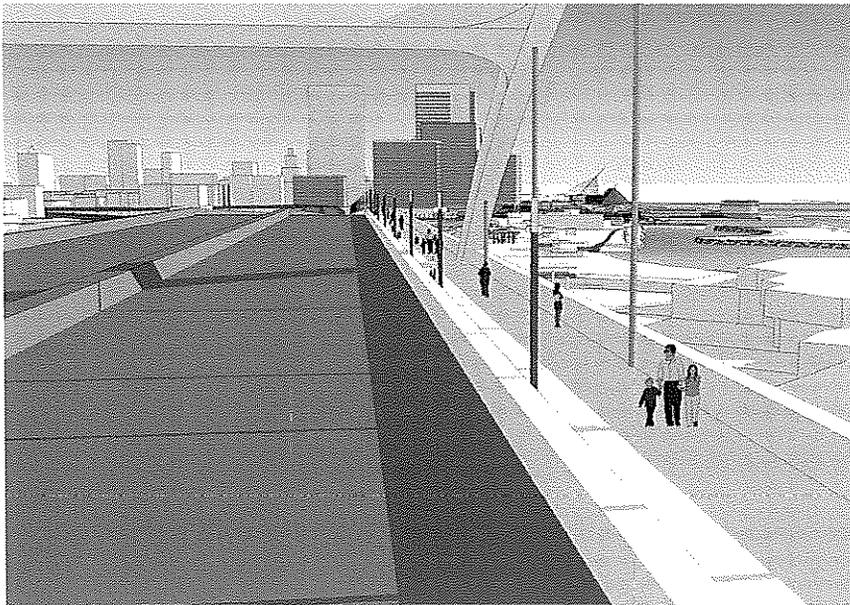
The Committee members recommend the installation of a bicycle/pedestrian lane to and over the Hoan Bridge.

- The Hoan Bridge serves as an important connector between Downtown Milwaukee and southeastern Milwaukee neighborhoods and suburbs, as well as the rest of southeastern Wisconsin.
- The installment of a bicycle/pedestrian lane would create an economic driver, as well as a notable and recognizable landmark for Milwaukee, Wisconsin, and the Great Lakes area.

- With the installment of this lane, the Bridge could become a tourist destination. This would draw residents and visitors to the lakefront, benefiting all stakeholders in the area.

A bicycle/pedestrian lane over the Hoan Bridge would increase connectivity for all modes of transportation and have a positive impact on the area. Providing a safe route for non-motorized traffic from Bayview and southern Milwaukee County to Downtown would be a great benefit to current residents and an attraction for tourists. Heavily used bike and pedestrian pathways, such as the County's Oak Leaf Trail and the Hank Aaron State Trail, already exist on either end of the Hoan Bridge. Connecting them would only enhance this usage.

The Wisconsin Department of Transportation has committed to performing a feasibility study regarding a bicycle/pedestrian lane over the Hoan Bridge, to be completed in September or October of 2011. Funding, design, and logistical variables would have to be considered if bicycle/pedestrian access were allowed to and over the Hoan Bridge. The Committee feels that it is logical to include a bicycle/pedestrian lane in the current re-decking project on the Hoan Bridge or as part of the larger refurbishing project, slated to begin the second half of 2013. Letters have been written to Wisconsin DOT Secretary Mark Gottlieb, as well as Governor Scott Walker, communicating the Committee's support and requesting that consideration be given to the installation of a bicycle/pedestrian lane. Other aesthetic elements could be incorporated into current projects, such as decorative night lighting or an updated paint color. The DOT and economics will dictate how the bicycle/pedestrian path could be installed, but the Committee recommends that bicyclists and pedestrians have a means of getting to and over the Hoan Bridge.



Other Considerations.

- There should be greater connectivity for all forms of transportation, including watercraft. The path over the Hoan Bridge should be accessible to patrons of the various ports and docks in this area of the lakefront, including the Lake Express Ferry and the occasional

cruise ships that dock near Discovery World. These patrons should have an easily accessible route to Downtown and the northern lakefront from their port locations.

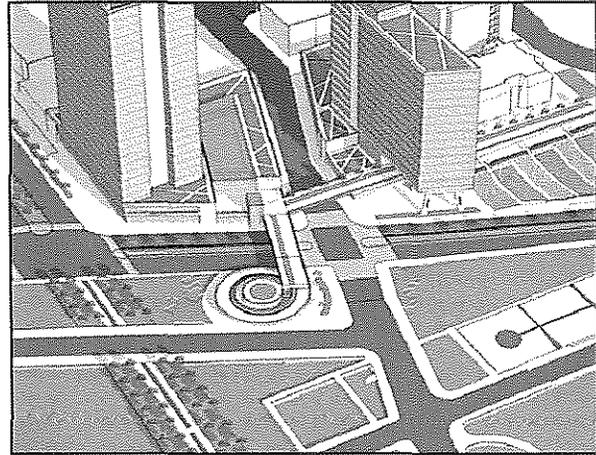
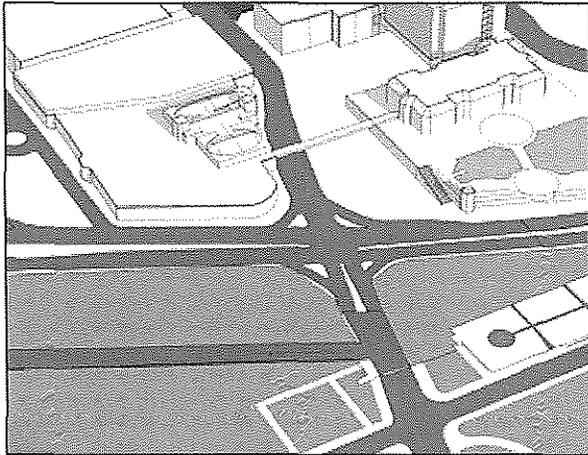
- The Hoan Bridge could be transformed into more of a parkway, rather than a freeway. This would calm traffic and create a “park like” experience while maintaining connectivity to southern Milwaukee County. This could be done by extending Lake Parkway (a two lane, 40 mph road) and beginning an expressway west of the lakefront area, or changing the north end of the Hoan Bridge into a boulevard or parkway with landscaping.

Next Steps.

The DOT and other Wisconsin government officials should continue to be encouraged to consider the installation of a bicycle/pedestrian lane. The DOT is on a tight time schedule, with a large refurbishing project beginning in the second half of 2013. The DOT should clarify the intensity and scope of their bicycle/pedestrian feasibility study.

Committee members and other interested parties are urged to attend any public meetings about the Hoan Bridge. City and County road planners must also be included to ensure pedestrian and cyclist safety and quality of experience. Other stakeholders such as cycling groups and tourism organizations should be involved.

1.3 Lincoln Memorial Drive/Michigan Street



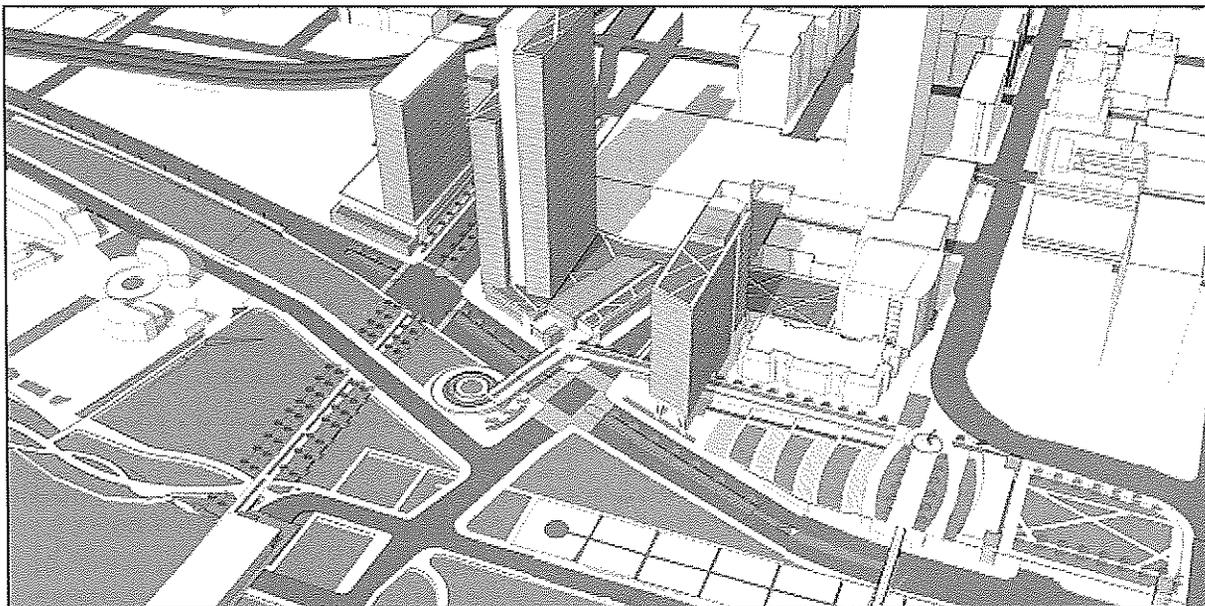
The Committee recommends the reconfiguration of the Lincoln Memorial Drive/Michigan Street intersection in order to provide a safe, accessible pedestrian environment and increased connectivity, while maintaining a balance with motorized vehicles.

- This is the entry to the lakefront for pedestrians, and the reconfigured intersection should convey a sense of occasion, welcoming citizens and visitors to the lakefront. They should feel as though they have arrived somewhere significant, rather than just another intersection. A broad boulevard with decorative medians and active ground floors on surrounding buildings would assist in creating this feeling. This intersection should be designed to enhance the area’s natural beauty and maintain cohesiveness with existing attractions and gardens.

- The restructured intersection would create an inviting, visitor-friendly atmosphere, while encouraging and creating opportunities for new development in the area and serving existing needs.
- The Committee recommends the determination of jurisdiction over this intersection, and the body with jurisdiction should undergo a process selecting the best option for reconfiguration.

The reconfigured intersection could be structured in a variety of ways, with efficient pedestrian conveyance and access to the lakefront as priorities. This intersection provides access to the lakefront from Downtown via Michigan Street, and along the lakefront via Lincoln Memorial Drive. This is the link to the lakefront attractions such as Betty Brinn Children's Museum, Milwaukee Art Museum, Discovery World, the War Memorial and Henry Maier Festival Grounds. This intersection is currently dominated by motorized traffic, with right turn bypass lanes making pedestrian crossings difficult and potentially dangerous, especially during special events. A new intersection would need to possess the means of moving pedestrians in an efficient manner, especially during high volume lakefront events. The reconfiguration should be cohesive with other existing features such as the Milwaukee Art Museum and future features such as the Transit Center and O'Donnell Park sites, as well as maintain vistas of the lakefront.

The new intersection should ensure the complete connection of the area for cyclists and pedestrians from the Hoan Bridge to trails along and west of the lakefront, including the Hank Aaron State Trail and the Milwaukee County Oak Leaf Trail. The intersection should promote pedestrian connections to the various attractions and enhance the connectivity between Downtown and the lakefront. The aesthetics of the intersection should enhance the naturally beautiful park-like feel of the area, and should create a sense of arrival to Milwaukee for residents and visitors. A pedestrian-friendly street level environment that encourages walkability to other amenities such as the Third Ward and Downtown should motivate the plan for this intersection.



Other Considerations.

- Possible configurations for this intersection include an at-grade foursquare configuration eliminating right-turn bypass lanes, an underground route for motorized traffic with green space above, a pedestrian bridge over the intersection, or a roundabout. While the suggestion of an underground tunnel for non-motorized was raised, this was tabled by the Committee as an unattractive option for pedestrian conveyance at this intersection.
- Improving Harbor Drive would also enhance this area's attractiveness and connectivity between the museums on the lakefront as well as the Henry Maier Festival Grounds.
- The area now called the "soccer field" presents a unique opportunity to expand on a "Museum/Entertainment Center" with the Betty Brinn Children's Museum and Milwaukee Public Museum. This area has a lot of potential and should be included in the lakefront master plan for further study. Key lakefront stakeholders should be involved, as access to their respective organizations will be affected.
- The intersection should provide easy access to those visiting the area by boat. Pedestrian connections to a water-taxi option along the lakefront and river would be enhanced by an easily accessible and crossable intersection at the lakefront.
- The plan for this intersection should be consistent with the long-term plans for Clybourn Street and the Lincoln Memorial Drive/Clybourn Street intersection. Some Committee members feel that any final decision on the future of this intersection should be delayed until options for the adjacent and connecting points are better understood. There were also questions of whether Michigan Street should even connect to the lakefront. Focusing on this premise is limiting the options of possibly using other streets as access points. The Michigan Street intersection would have more importance in the short term, with the Lincoln Memorial Drive/Clybourn Street intersection becoming the major intersection in the long term (if the Lake Interchange ramps are reconfigured).
- A possible design competition could take place to enhance the options for achieving these recommendations.

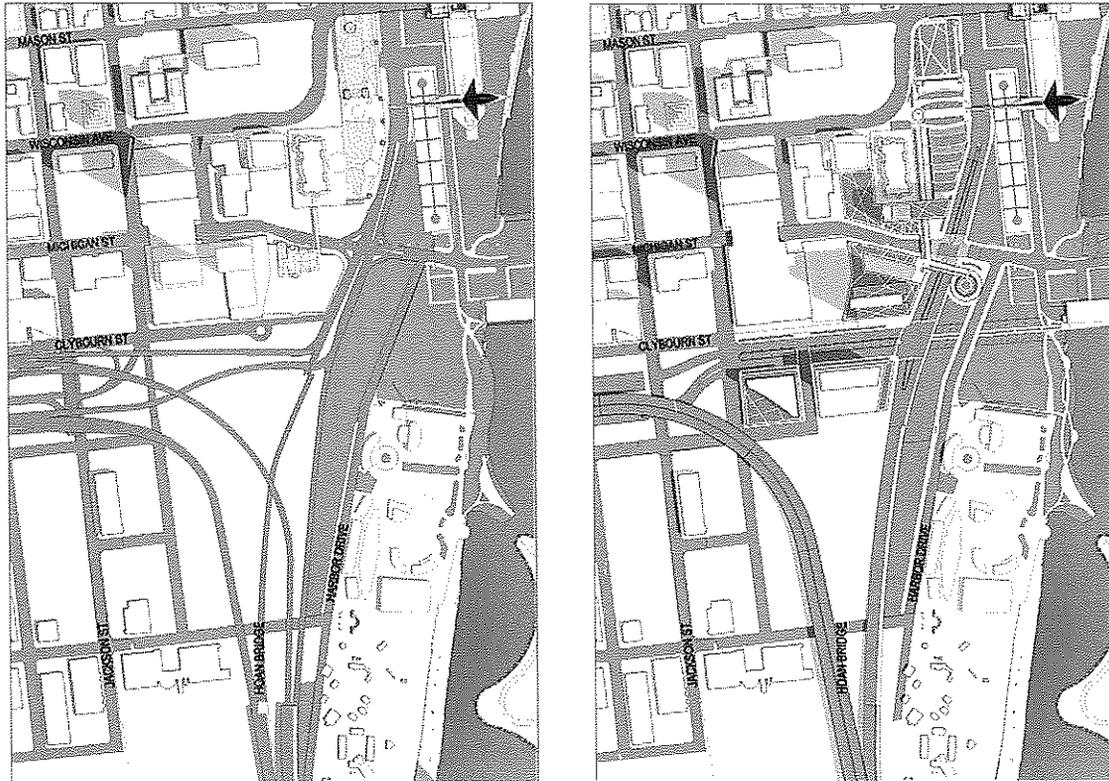
Next Steps.

Decisions on the Downtown Transit Center and Hoan Bridge should occur first before decisions are made for this intersection. The Transit Center RFP should have language about its development including public space and traffic configuration.

Existing proposals should be reviewed and restrictions and deal breakers among key constituents and stakeholders should be better understood. Traffic studies should be reviewed to explore which configuration would be best to maintain balance between pedestrian crossing ease and safety with potential traffic issues. Design plans for this intersection should be created, showing sidewalk and median improvements, as well as a reduction in the "clutter" of signage and chain and snow fencing.

The following three recommendations are considered by the Committee to be more long-term. The Committee may reconvene in the future to discuss the following areas in further depth once there is movement in the short-term areas discussed above. The County Board is encouraged to adopt this vision and work together with other administrative bodies to bring it to reality in the future.

1.4 Lake Interchange



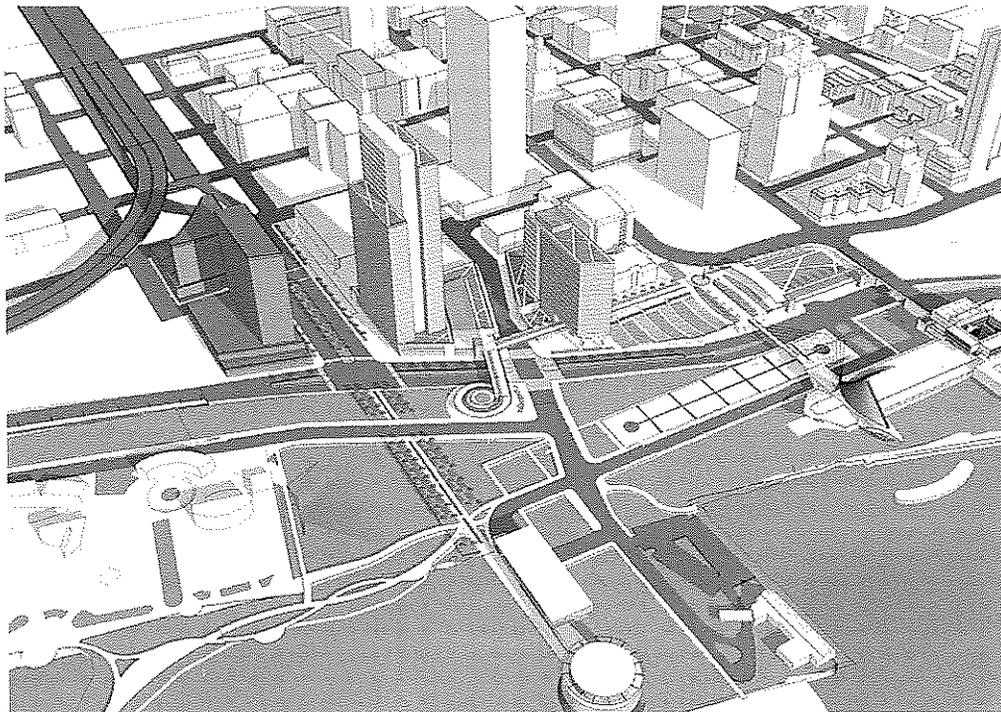
The Committee recommends the reconfiguration of the Lake Interchange ramps in order to free up space for development, as well as improve the connectivity between Downtown and the Third Ward to the lakefront.

- The off ramps of the Interchange end abruptly, leading drivers to speed through the area rather than slowing down at the Milwaukee attraction that is the lakefront. These ramps were designed at a time when the freeway was to extend north along what is now Lincoln Memorial Drive. With that plan abandoned, the Committee believes that it is time to consider the reconfiguration of these ramps.
- Currently, the space beneath the ramps is surface parking. These are underutilized, except during festivals and other lakefront events, and should be put to better use.
- The freed up land could be used for new building development and the development of increased public green space, enhancing the accessibility and attractiveness of the area. This space could be transformed from land under a freeway and freeway access points into an area with improved safety and reduced barriers while maintaining the ability to move traffic, especially during high volume events.
- A design solution should be implemented that addresses both the need for freeway access and an opening up of street-friendly flow for better connections to the Third Ward.

Short-term improvements to the Lake Interchange ramps could include design elements, such as material colors, lighting, and landscaping, while more long-term improvements are kept in mind for the future. These aesthetic enhancements would improve the appearance of the structure, especially given the structure's location and visibility. These improvements could

take place during the DOT construction project that is to begin in the second half of 2013, with longer-term improvements kept in mind when the time comes to reconstruct this Interchange. In the short-term, the surface parking lots under the Interchange could also be redesigned as demonstration sites for sound storm water and freshwater management practices consistent with Milwaukee's focus as a freshwater business and education destination, including pervious pavements and rain gardens. Multi-level parking structures could also be built, allowing for more open space and better multi-modal access as well as developable space.

With the reconfiguration of the Lake Interchange ramps, Clybourn Street could become a major connector from Downtown to the Lakefront. The City's Department of City Development (DCD), working off of a sketch provided by the DOT, shows the creation of a broad boulevard along Clybourn Street, with the east bound on and off ramps brought to grade at the intersections of Jackson and Van Buren Streets. There would be opportunities for development along this boulevard. The boulevard would look like an updated version of Wisconsin Avenue near the Marquette campus and would be the kind of grand statement the lakefront is currently lacking.



Other Considerations.

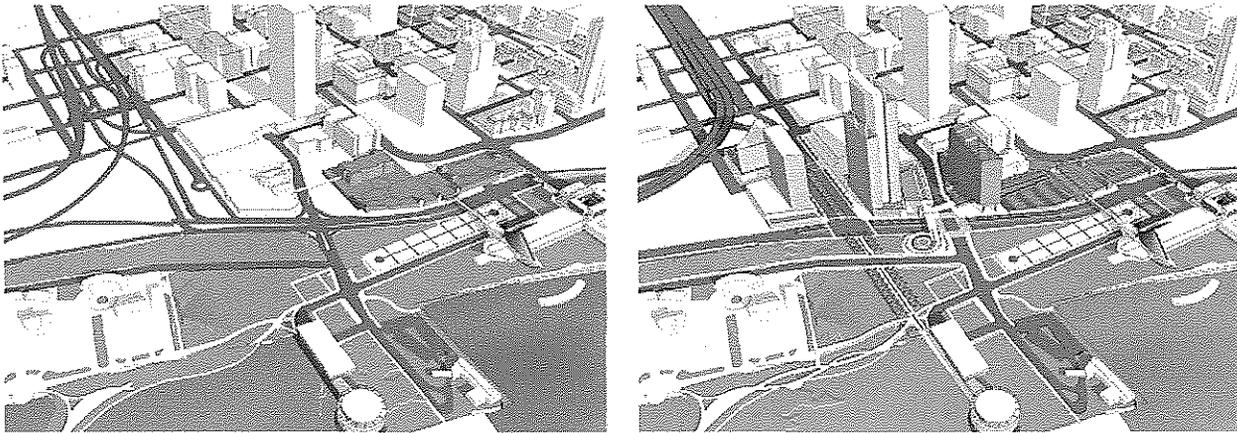
- The intersection of Lincoln Memorial Drive and Clybourn Street could become the major connector between Downtown and the Third Ward to the lakefront in the long run, with the Lincoln Memorial Drive/Michigan Street intersection as the major intersection in the short-term.
- Some Committee members pointed out that there would be a limit to the market's ability to absorb the new developable footprint. This is important to keep in mind when envisioning the future of this area. Financial viability and prioritization must be considered.

- The reconfiguration of these ramps needs to be thought of in connection with the other changes taking place at the lakefront. All of the pieces of development should flow together to create a wonderful, unique destination.

Next Steps.

The Committee recognizes that this recommendation is long-term, but encourages the acceleration of the DOT timeline in order to develop these parcels in a shorter amount of time. Committee members and other interested parties should also affirm their position with the DOT, to ensure that this vision will be considered when the time comes to change these ramps.

1.5 O'Donnell Park

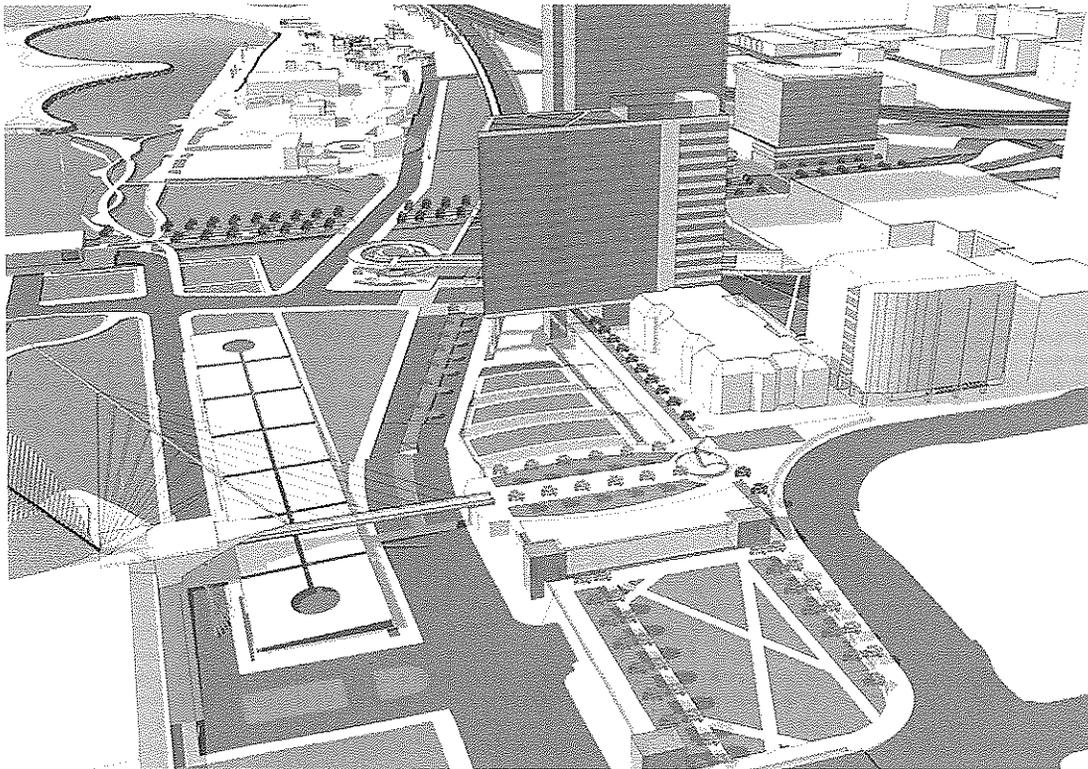


The Committee recommends that O'Donnell Park retain in its current function in the short-term with openness for redevelopment if desired in connection with the Transit Center.

- Redevelopment of the O'Donnell Park site should be considered more long-term because there are more logistical obstacles here than with the Downtown Transit Center site. O'Donnell Park has parking (an asset for Downtown employees and patrons) and tenants, while the Transit Center would be ready for redevelopment in a shorter period of time.
- Any redevelopment of this site would have to take into consideration the replacement of parking to accommodate the needs of various Downtown employees and patrons, as well as the relocation of O'Donnell Park's current tenants. Any associated lost revenues and cost of replacement of parking should be incorporated into the project plan.
- Redevelopment also needs to be in compliance with lakebed grant policies, as a small portion of the parking structure is located on lakebed. Future changes would also have to comply with the terms of a Waterfront Parks Aids grant program, which help fund the construction of the terrace and pedestrian bridge.

Future development of O'Donnell Park should correspond with the redeveloped Transit Center site; although these sites may be redeveloped at different times, the finished product of these sites should be cohesive and complementary. When determining the future of the Transit Center site, the future development of O'Donnell should be kept in mind to ensure cohesiveness. Redevelopment of O'Donnell Park should maintain lake and museum vistas from

Wisconsin Avenue and provide an innovative, attractive means of connecting the different grades from Downtown to the lakefront. The unique park-like feel of the Milwaukee lakefront should be taken advantage of in any redevelopment plan. This feature makes Milwaukee's lakefront unique from other urban lakefronts such as Cleveland or Chicago. The area should be inviting and appropriate for a variety of uses and users, as well as provide access and connectivity between the lake and Downtown. The redevelopment of this site should assist in eliminating the seasonality of the lakefront, and draw visitors and citizens to this area throughout the year.



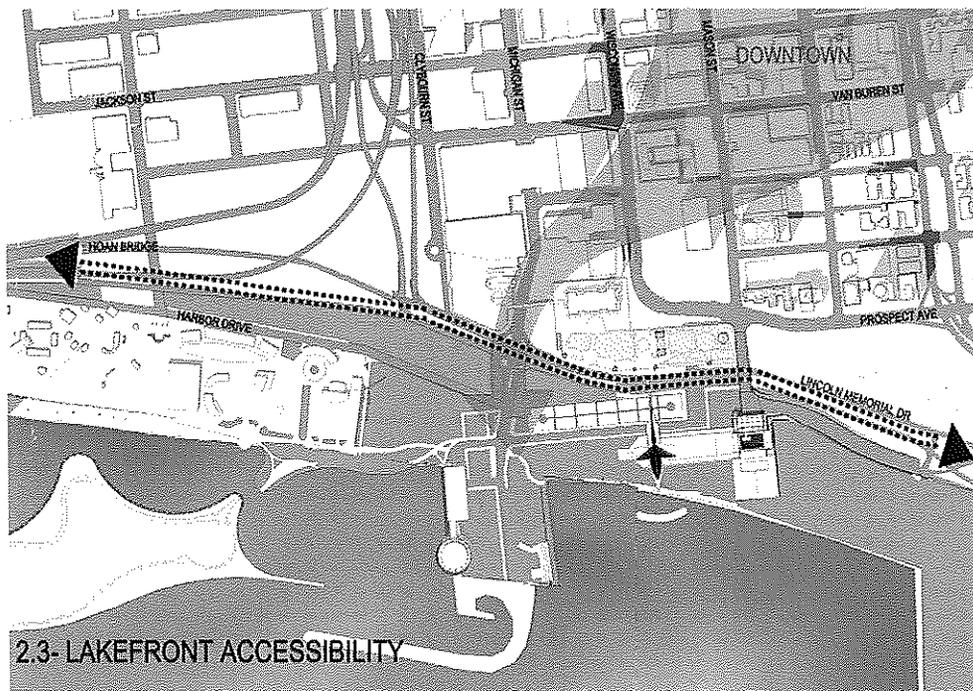
Other Considerations.

- Maintenance and security of the parking structure for patrons may still be potential issues and a feasibility study should be developed to explore possible outsourcing of the function at a net profit to the County.
- Whether there is demand for all 1,140 parking spots in the parking structure should be examined. For example, if the topmost level of parking was available for removal, modifications to the existing structure could take place, such as creating a more attractive, green space with a gradual grade change from Downtown to the lakefront.
- The redeveloped area should have at least as much parkland as what currently exists, and could be part of a comprehensive parks and public spaces plan for the area. Outdoor education space could be utilized by the museums and other organizations in the area.
- The concept of a Museum District at the lakefront could also be enhanced through the development plan regarding this investment. If O'Donnell Park were redeveloped, Betty Brinn Children's Museum would have to be relocated. This lakefront stakeholder would like to have clarity and assurances that their presence is important at the lakefront.

Next Steps.

A long-term plan should be created for the future development of the O'Donnell Park site, including the issues of parking replacement and relocation of current tenants. If redeveloped, lakebed grant regulations would need to be followed, as a small portion of the southeast corner of the parking garage is located on lakebed. The terms of the Wisconsin DNR Waterfront Park Aids program grant would also need consideration.

1.6 Lakefront Transportation/Accessibility

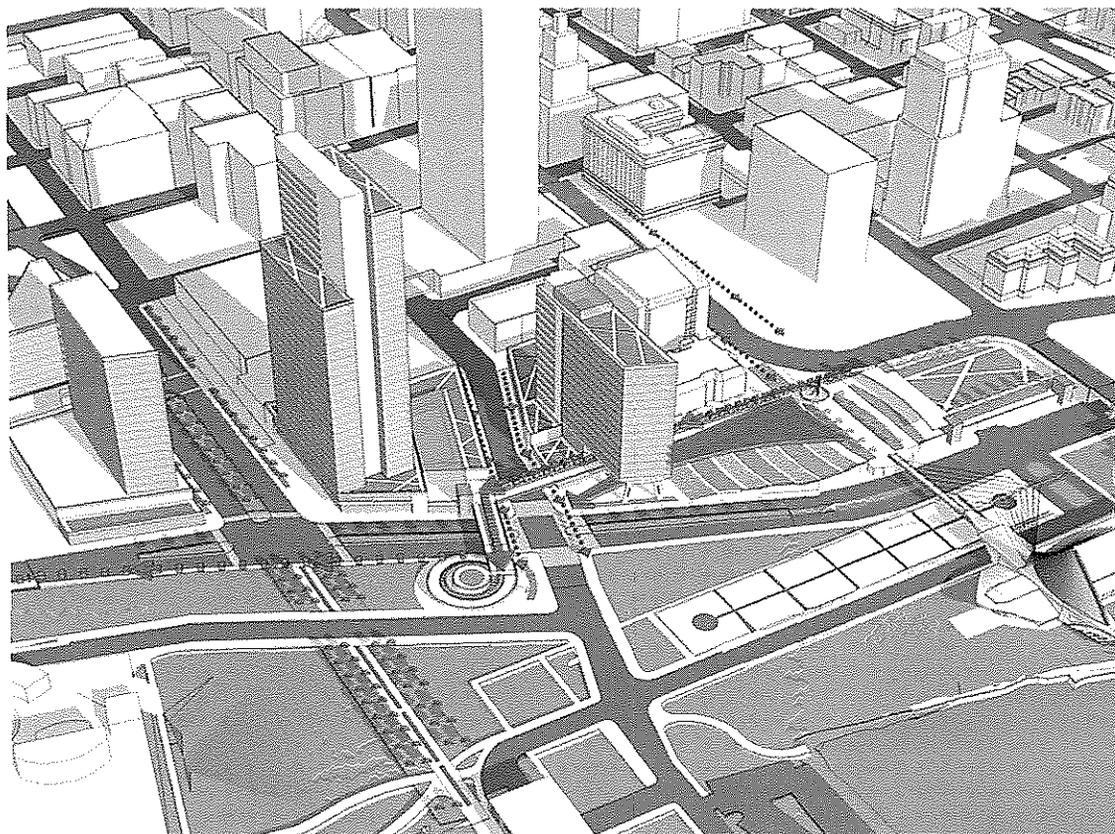


The Committee believes that the lakefront development plan should enhance connectivity and accessibility for all modes of transportation, and there should be an even balance between motorized and non-motorized traffic.

- There are few access points to the lakefront from Downtown and, unless there is a pedestrian bridge, it is difficult to cross Lincoln Memorial Drive. A development plan should include greater bike and pedestrian access and linkages, and a sense of connectivity should be enhanced. The connections must be complete, welcoming and attractive, and should not dead end or have unsafe or unattractive gaps in them.
- Transportation to and along the lakefront should be consistent with the concept of a parkway, which is what Lincoln Memorial Drive is intended to be. The scale of roadways should be appropriate to present and future uses.

There are multiple barriers blocking access from Downtown to the lakefront. Some of these barriers include the Mason Street Bridge and the Lincoln Memorial Drive/Mason Street intersection. The wall of concrete underneath Mason Street on Lincoln Memorial Drive

aesthetically restricts access to the lakefront, and few pedestrians know that there is a path to the lakefront on the Mason Street Bridge near the War Memorial. The intersection of Mason Street and Lincoln Memorial Drive is complicated for cyclists, pedestrians, and vehicles and should be reconfigured to increase walkability and accessibility to the lakefront.

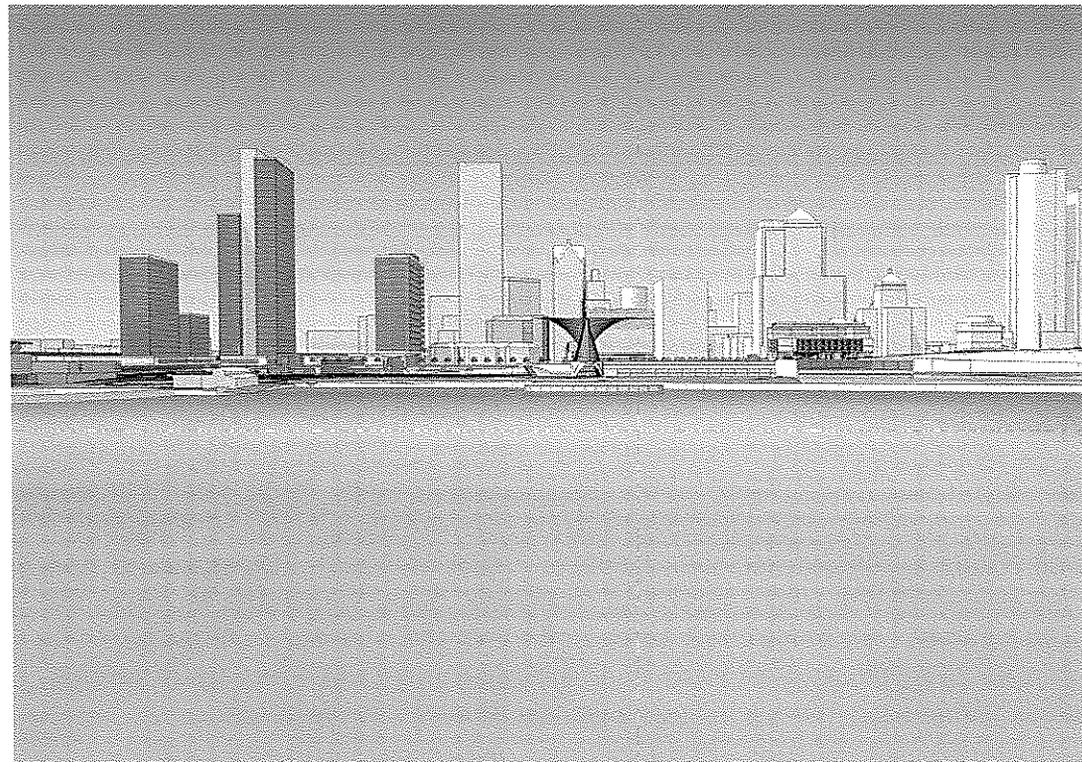
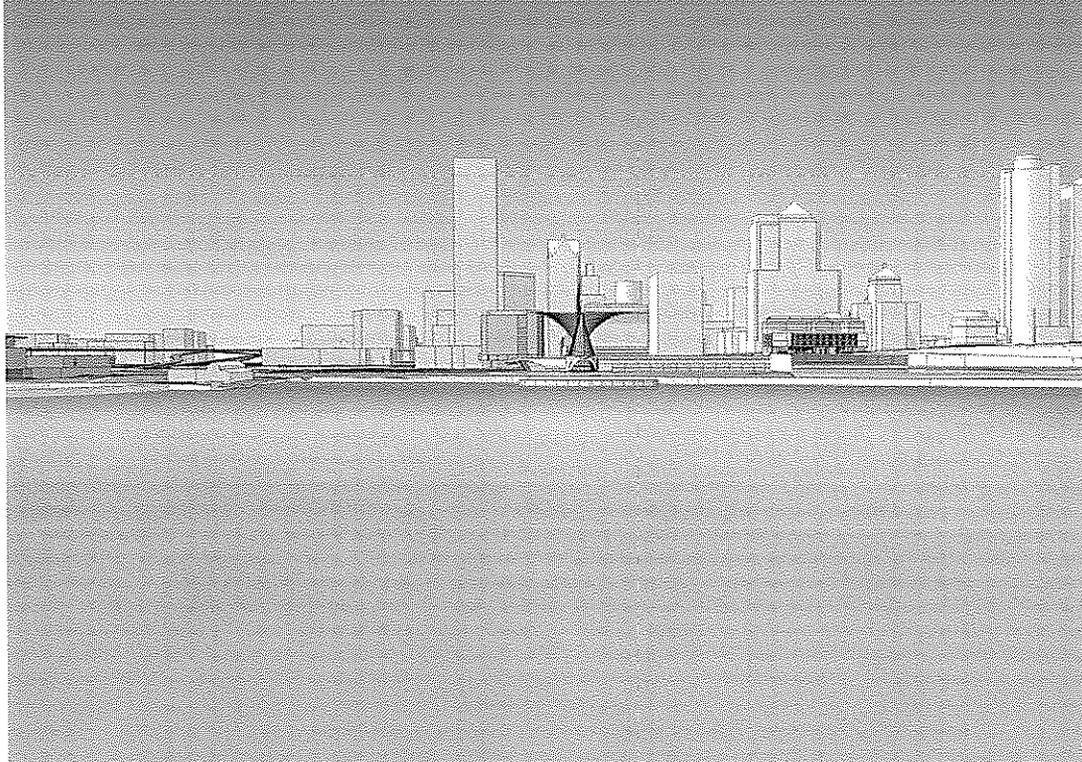


Other Considerations.

- A bike sharing program or rental facility could be implemented, along with providing a greater number of bike racks and corrals around the lakefront area and cultural campus.
- A transition zone around the lakefront to Downtown should be considered for any high-speed transit arterials with connections to the lakefront, and could be implemented through boulevards, street plantings or curved roads.
- Greater emphasis on watercraft accessibility should be included along the lakefront. There should be more connectivity from watercraft docks and ports to bicycle or pedestrian paths so all visitors can easily navigate to and along the lakefront.
- There was discussion of the City streetcar route during Committee meetings, and the subcommittee's had varying views of the streetcar and its route. Some wanted to see the streetcar come to the lakefront to accommodate visitors to the area and its amenities, while others see a route extension via shuttle or rubber wheeled trolley service to the lakefront as a possibility after a successful first phase. Some Committee members feel that there could be clear connections between the City streetcar route and the lake. The various stops along the streetcar route could include signage and directions to various attractions within a few blocks, including the lakefront and its amenities.

Next Steps.

Coordinate planning for the study area with other transportation improvements in the area, including the plan for bicycle and pedestrian pathways.



Chapter 2 – Subcommittees

The Long-Range Lakefront Planning Committee was divided into four subcommittees based on stakeholder interest in the development process. These subcommittees were Parks and Public Spaces, Business Community, Development, and Attractions/Neighbors. Throughout the Committee’s process, these subcommittees met to accomplish goals dedicated to their vision of the lakefront. A balance was achieved to meet the needs of open public spaces, development, and current and future tenants of the lakefront. Minutes from the subcommittee meetings and their individual position statements on the above recommendations are attached in Appendix D.

2.1 Parks and Public Spaces

The Parks and Public Spaces subcommittee was created to ensure that the final lakefront vision includes green, open spaces. The idea that parks and public spaces should be integrated in the overall development plan was introduced early and from a landscape architect’s point of view. Rather than designing buildings, they design areas, including the relationship between buildings and open public spaces. One of the desired outcomes of this subcommittee was to create imaginative, innovative public spaces that improve the overall attractiveness and desirability of the development plan for the area. This subcommittee also ensured that the public trust doctrine and lakebed grant restrictions were followed. This subcommittee was comprised of representatives from the Lakefront Development Advisory Commission, The Park People, Preserve Our Parks, the Harbor Commission, County Parks Advisory Commission, the Bike Federation, members of the public, and Milwaukee County and City representatives.

Some of the issues confronted by the Parks and Public Spaces subcommittee include:

- Observance of the lakebed grants and public trust doctrine as it applies to O’Donnell Park and Downtown Transit Center sites, as well as other lakefront lands.
- Recognition and compliance with land use restrictions, e.g. deed restrictions, zoning, and grant programs.
- Observance of municipality boundaries.
- The County’s options and obligations in regard to the State Department of Natural Resources grant on O’Donnell terrace and related improvements, which were funded through the Waterfront Aids Program in 1987.
- The preservation and improvement of current parks and public spaces.
- Determination of which land has been “dedicated” as parkland and which is government owned or administered by the County Parks or the City without the official designation of a park. Examples of this include O’Donnell Park and a nearby property commonly known as “Urban Park.”

The desired outcomes from this subcommittee include:

- The Committee’s overall development plan incorporates parkland and public spaces that are imaginative, innovative, and will improve the desirability and attractiveness of the overall plan for the area.
- The plan preserves and improves upon parkland and other public space now existing in the area, while conforming to public trust, land grants, parkland dedication, funding, etc.

- The Committee adheres to public trust doctrine, lakebed grant regulations, and other land use restrictions.
- A balance is achieved between public trust, preservation of parks, and development interests.

2.2 Business Community

This subcommittee was created to recognize the needs and desires of the lakefront business community. Some of these stakeholders include U.S. Bank and Northwestern Mutual Life, among others. Meetings with U.S. Bank and other businesses revealed a keen interest to maintain parking at O'Donnell Park in the short term, as it serves their employees' and other local tenants' needs. If the O'Donnell Park site was to be rededicated with other uses, parking would have to become available somewhere else to accommodate downtown employees. U.S. Bank also stated that Michigan Street, as a natural gateway to the lakefront, should not require measure grading or rework. That particular scope of work would be coordinated through their capital plan, which calls for further development of their campus, on property west of the Transit Center on Michigan Street.

Some of the issues identified by the Business Community subcommittee include:

- Determining stakeholder issues during development planning.
- Gathering input from existing lakefront businesses.
- Determining parking needs and availability in the short- and long-term.
- Development of a new enterprise/collateral piece to attract new businesses to the lakefront.

During the development process, this subcommittee met with current lakefront businesses, potential lakefront tenants, and the local business associations, such as the Greater Milwaukee Committee (GMC), the Metropolitan Milwaukee Association of Commerce (MMAC), the Downtown Business Improvement District (BID), and the Milwaukee Rotary. These meetings extended the Committee's outreach to various stakeholders and gathered interest in the development of this area.

The desired outcomes of this Committee include:

- Business community input incorporation in recommendations.
- New businesses draw patrons to lakefront.
- New patrons draw new businesses to lakefront.

2.3 Development

This subcommittee was charged with envisioning the redevelopment of the lakefront, while considering stakeholder viewpoints, and helping to make the Committee's visions a reality. This subcommittee focused on the potential transformation of the Downtown Transit Center and O'Donnell Park sites, as well as the Lake Interchange and Hoan Bridge. Members of this subcommittee included representatives from Milwaukee County, the City of Milwaukee, and a representative from the University of Wisconsin – Milwaukee School of Architecture and Urban Planning, among others.

Some of the issues confronted by this subcommittee include:

- The Downtown Transit Center and O'Donnell Park sites:
 - Examination of options and obligations for Downtown Transit Center payback, debt service and federal/state grants.
 - Providing for parking should O'Donnell Park be redeveloped.
 - Communication with current tenants and their possible relocation.
 - Options and obligations of the State Department of Natural Resources grant on O'Donnell Park terrace and related improvements, which were funded through the Waterfront Aids Program.
- Request that the State Department of Transportation consider the footprint of the Lake Interchange, and exploration of reconfiguring the on and off ramps, which would free up development space from current use as surface parking lots.
- Introduction of a bike/pedestrian lane on the Hoan Bridge, making the bridge an economic driver for the lakefront and a tourist destination.
- The reorganization of the Lincoln Memorial Drive/Michigan Street/Harbor Drive intersection, creating a more pedestrian friendly environment, while maintaining vehicular flow.
- Creation of easier access between the north and south lakefronts.

The desired outcomes for the Development subcommittee include:

- Establishment of stakeholder interest for development.
- Development of a long term economic/financial plan for the area.
- Consideration for redevelopment of the Transit Center site.
- Consideration for redevelopment of the O'Donnell Park site.
- Increased safety and attractiveness in the area.
- Increased connectivity and accessibility between Downtown and the lakefront.

2.4 Attractions/Neighbors

The Attractions/Neighbors subcommittee was designed to include input from current and future cultural and entertainment stakeholders in the lakefront area. Members of this subcommittee included representatives from the Milwaukee Art Museum, Discovery World, the War Memorial, Milwaukee World Festival, Inc., Betty Brinn Children's Museum, and Zilli Hospitality Group. The development of the lakefront could draw new and more patrons to their attractions. With redevelopment, the stakeholders need clarity and assurances about their future location at the lakefront.

Issues of concern to this subcommittee include:

- Future assets for culture and entertainment at lakefront area.
- Enhancements for existing sites.
- Parking needs and availability.
- Opportunities for co-development with other cultural institutions.
- Ensuring destination compatibility and tourism opportunities

In order to resolve these issues and achieve the desired outcomes for the Attractions/Neighbors subcommittee, the members worked to establish connections and communication with existing lakefront cultural and entertainment stakeholders. The subcommittee believes that no matter what kind of development occurs at the lakefront, improvements need to be made to the current situation, including aesthetic improvements such as removing chain-link and snow fencing in front of Discovery World and the Art Museum.

In coordination with the other subcommittees, the Attractions/Neighbors would like to arrive at the following outcomes:

- The development complements existing lakefront attractions and neighbors.
- The development plan creates a lakefront that attracts patrons to the lakefront, and increases the likelihood to co-visit various attractions.

Chapter 3 – Other Stakeholders

3.1 State Involvement

Wisconsin Department of Transportation.

The Wisconsin Department of Transportation (DOT) was invited to join the Committee's discussion for development in the lakefront area after discussion turned to the Hoan Bridge and Lake Interchange.

The DOT took part in many of the Committee's discussions, and presented their plans for projects on the Hoan Bridge, I-794, and the Lake Interchange. The Hoan Bridge is undergoing deck repairs at a cost of about \$7.5 – \$8 million before undergoing a larger repair project. The larger project includes removing and replacing the deck, painting, and reinforcing the steel structure. In regard to a bike/pedestrian lane over the bridge, the DOT stated that the feasibility of such an option would need to be studied and input from other stakeholders and the Federal Highway Administration needs to be considered before moving in that direction. The DOT committed to completing a feasibility study of a bicycle/pedestrian lane over the Hoan Bridge to be completed by September or October 2011.

Any changes to the Lake Interchange ramps would be long-term. There is a current maintenance project on the ramps, which includes a concrete overlay and concrete surface repairs. A larger project is expected to begin in the second half of 2013, continuing into 2014 and 2015, at an approximate cost between \$275 and \$300 million. The DOT distributed a sketch of a possible reconfiguration of the ramps to the Committee, along with their expected time frame. This configuration was done before the Marquette Interchange reconstruction process. This sketch shows a smaller footprint for the ramps and frees up valuable space south of Clybourn Street, as well as smaller development sites along St. Paul Avenue. This configuration was used as a basis for envisioning future development scenarios.

Wisconsin Department of Natural Resources.

The public trust doctrine is an important part of Wisconsin natural resources law. It states that the State must hold all navigable waters in trust for public use forever. "Navigable" is defined as the ability to traverse a body of water that has defined beds and banks, and can float any boat, skiff, or canoe of the shallowest draft on a reoccurring basis. The Wisconsin Department of Natural Resources (DNR) is charged with the mission of preserving these bodies of water for public use, including recreation, tourism, and enjoyment of scenic beauty, among others.

There are some use restrictions in the Committee's study area along Lake Michigan that must be recognized and followed in the development plan. An important use restriction is the presence of the lakebed grant. Much of the present shoreline of Lake Michigan is filled lakebed. The DNR granted this land to the Milwaukee County and the City of Milwaukee with various restrictions on the land's future use. These restrictions range from only using the lakefront for navigation, to parks and open space, to public transportation. The Committee worked with the DNR to determine the exact boundaries of the lakebed grant in order to discern what effect if any the restriction might have on lakefront development. Legal descriptions and surveys assisted both

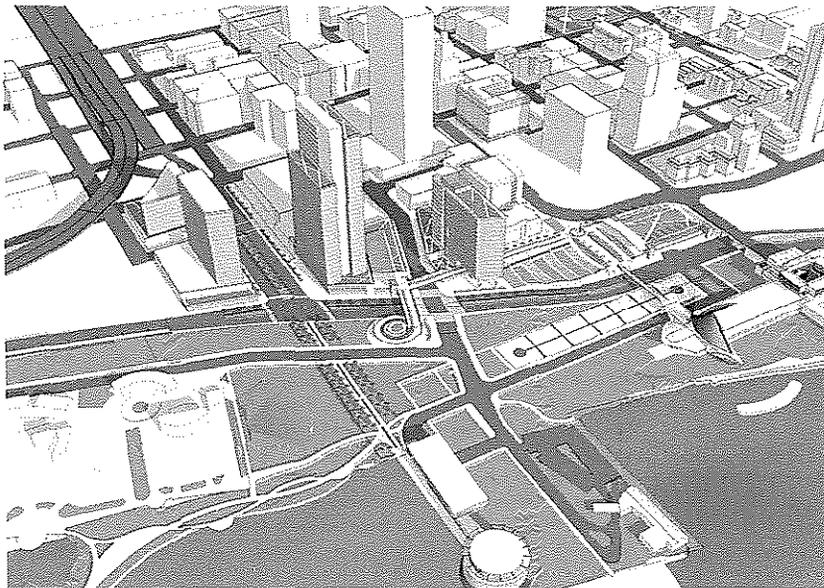
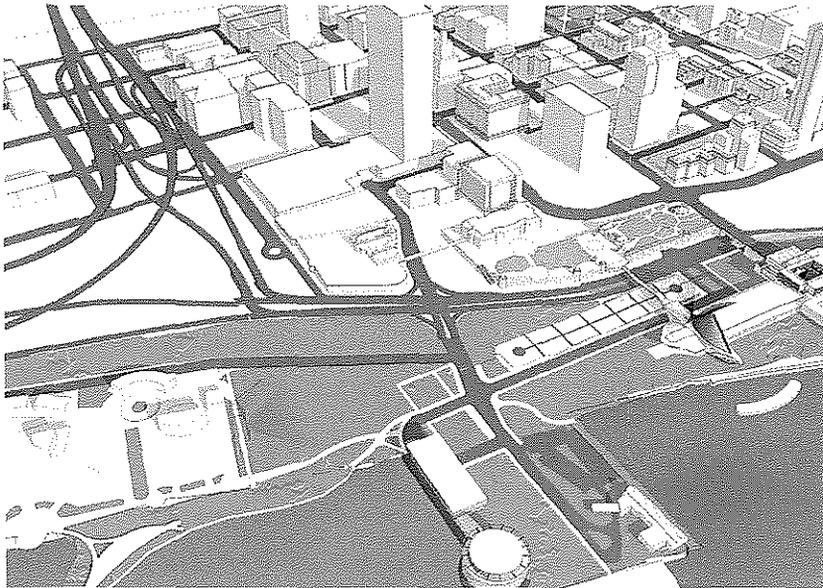
the Milwaukee County Parks Planning and Development Division and the DNR in determining the location of lakebed grant land.

In August 2011, the DNR communicated to the Committee their determination of the lakebed grant boundary. They determined that the Downtown Transit Center is not on lakebed and is therefore not subject to public trust doctrine. A small portion of O'Donnell Park, located only in the parking structure on the southeast side, is located in the lakebed area. The DNR will use the Milwaukee County Plat of Survey to determine exactly what portion is in lakebed. If the County decides to remove the parking structure at some time in the future, the DNR would then need a more detailed plat survey. The upland areas attached to the parking structure are not in lakebed.

The Wisconsin Waterways Commission of the DNR funded the O'Donnell Park terrace and pedestrian bridge with a \$2,350,000 grant through the Waterfront Park Aids program. The DNR program staff in Madison is reviewing this grant to see if there are grant conditions or conversion issues that would impact the future of O'Donnell Park. This information should be available in the near future.

Conclusion

Together we can transform Milwaukee's lakefront into the state's front door, a worldwide destination for tourism, business and investment. At the heart of the recommendations is the recognition that a long-term plan for the lakefront must balance many interests – economic, cultural and environmental – that, together, position this unique asset for an exciting future and provide opportunities for community engagement. Executing the short-range recommendations will set the stage for future discussions in creating a more vibrant, engaging, and sustainable lakefront. Then, at a future date, the Long-Range Lakefront Planning Committee will reconvene at the call of the Chair to continue this legacy by acting on opportunities as they present themselves at the appropriate time.



**SUMMARY
APPRAISAL REPORT**
The Milwaukee County Transit Property
909 E. Michigan Street
Milwaukee, Wisconsin

Appraisal Date:
December 19, 2011

THE NICHOLSON GROUP LLC

January 17, 2012

Gerald A. Baker
Milwaukee County
Department of Transportation & Public Works
2711 W. Wells Street, 3rd Floor
Milwaukee, Wisconsin 53208-3531

Subject: The Milwaukee County Transit Property Appraisal
909 E. Michigan Street, Milwaukee, Wisconsin

We have made a complete appraisal of the real property rights associated with the fee simple estate in the property identified above and submit our findings in the following summary appraisal report. The subject property consists of a 2.207 acre parcel improved with the Milwaukee County Transit Downtown Complex located at 909 E. Michigan Street in Milwaukee. The facility comprises a two-story bus waiting station and bus marshalling structure. The improvements were constructed in 1992 as a special purpose facility and contain a gross building area of 111,460 square feet. The highest and best use of the property is for demolition of the existing improvements creating a vacant parcel available for future commercial development. As such, this appraisal consists of a land valuation analysis that considers the estimated cost of demolishing the improvements.

This appraisal has been made under certain extraordinary assumptions including: 1) that the current zoning can be changed to accommodate the property's development to its highest and best use; 2) that the demolition costs are as estimated at \$700,000 and that no public subsidies are available to pay these costs; and, 3) the existing agreement with Grandview Management, Inc. to provide catering services in the Harbor Lights Room can be terminated with no impact on value.

Based on the valuation analyses as presented in this report, it is my opinion that the market value of the fee simple estate in the subject property as of December 19, 2011 is:

Eight Million Nine Hundred Thousand Dollars
\$8,900,000

The opinions expressed in this report can only be completely understood by reading the following report, exhibits, other data, assumptions and limiting conditions, and general service conditions.

Respectfully submitted,
THE NICHOLSON GROUP LLC



Lawrence R. Nicholson, MAI
Wisconsin Certified General Appraiser (#116)

Attachment
11-156

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Scope of Work

| | |
|--------------------------------------|---|
| Property Appraised | Milwaukee County Transit Property 909 E. Michigan Street, Milwaukee, Wisconsin |
| Appraisal Date | December 19, 2011 |
| Inspection Date | December 19, 2011 |
| Appraisal Purpose & Rights Appraised | Market value of the fee simple estate |
| Intended User | The intended user of my value opinion and this report is Milwaukee County ("client"). Use of this report by others or for any other use is not intended by the appraiser. A party receiving a report copy from the client does not, as a consequence, become a party to the appraiser-client relationship. No third parties are authorized to rely upon this report without the express written permission of The Nicholson Group LLC. |
| Intended Use | The intended use of my value opinion and this report is for planning purposes involving the possible sale of the property. |
| Assets Included | Land, site improvements and building improvements. |
| Scope of the Investigations | <p>In developing this real property appraisal, a complete appraisal process was conducted that considered the use of the three traditional approaches to value: the Cost, Sales Comparison and Income Capitalization Approaches. As the highest and best use of the property is for demolition of the existing improvements creating a vacant parcel available for future commercial development, this appraisal consists of a land valuation analysis considering the estimated cost of demolishing the improvements. The Sales Comparison Approach was utilized.</p> <p>Lawrence R, Nicholson, MAI collected, researched, verified and analyzed the information deemed necessary to develop credible assignment results, that is, being worthy of belief. Furthermore, the appraiser: inspected the interior and exterior of the appraised property; reviewed subject property information provided by the property owner; researched public records pertaining to the subject property; investigated market and neighborhood trends affecting the highest and best use; gathered information pertaining to comparable sales; analyzed the data; and, applied the appropriate valuation approaches to arrive at a reasonable and independent opinion of market value.</p> |

Sources used in obtaining comparable data included: The Nicholson Group's proprietary database of sale transactions; public records; real estate sales data published by CoStar Group, MLS, Redi-net and tax assessor offices; other appraisers; and, real estate brokers. The comparable sales were inspected and the terms of the transactions were verified through public records and/or by interviewing a party to the transaction. Data may have been used without verification by a party to the transaction if attempts to contact these individuals were unsuccessful and/or if the data was obtained from a reliable source and appeared to be correct.

The value opinion presented in this report is based upon review and analysis of the market conditions affecting real property value. The value opinion has been supported by relevant evidence and logic to the degree necessary for the intended use.

Information, estimates and opinions furnished to the appraiser and contained in this report and/or in the appraisal workfile were obtained from sources considered reliable and believed to be true and correct. However, we can assume no responsibility for the accuracy of such items furnished to the appraiser.

While reasonable care has been taken to ensure that the facts stated herein are accurate and that any expressed or implied opinions are fair and reasonable, the opinions, estimates and projections in this appraisal constitute judgments as of the date of this appraisal and there can be no assurance that future results or events will be consistent with any such opinions, estimates or projections.

This is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice ("USPAP") for a Summary Appraisal Report. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop my opinion of value. Supporting documentation that is not provided within the report concerning the data, reasoning and analyses is retained in the appraisal workfile. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

Extraordinary Assumptions

The Uniform Standards of Professional Appraisal Practice ("USPAP") defines an Extraordinary Assumption as: "an assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions." The following comment is offered directly after this definition: "Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis."

This appraisal is conditioned upon certain Extraordinary Assumptions including:

- The property is currently zoned Parks District (PK). This appraisal has been made under the extraordinary assumption that the current zoning can be changed to accommodate the property's development to its highest and best use. If at a later date information is provided that proves this assumption to be incorrect, the value of the subject property will change and I reserve the right to revisit the appraisal analysis and amend my value opinion.
- The highest and best use of the property is for demolition of the existing improvements creating a vacant parcel available for future commercial development. The demolition costs have been estimated by the appraiser at \$700,000 utilizing information provided in Marshall Valuation Service, an appraisal industry standard for construction cost estimates. This appraisal has been made under the extraordinary assumption that the demolition costs are as estimated and furthermore, that no public subsidies are available to pay these costs. If at a later date information is provided that proves this assumption to be incorrect, the value of the subject property will change and I reserve the right to revisit the appraisal analysis and amend my value opinion.
- The subject property is encumbered by an agreement with Grandview Management, Inc. to provide catering services in the Harbor Lights Room. This appraisal has been made under the extraordinary assumption that this agreement can be terminated with no impact on value. If at a later date information is provided that proves this assumption to be incorrect, the value of the subject property will change and I reserve the right to amend my value opinion.

| | |
|--------------------------|---|
| Standards Conformance | This appraisal has been prepared to conform with: the Uniform Standards of Professional Appraisal Practice ("USPAP"); and, the Standards of Professional Appraisal Practice and Code of Professional Ethics of the Appraisal Institute. |
| Competency Statement | According to the Competency Rule as set forth by USPAP, competency applies to factors such as, but not limited to, specific types of property, a specific type of property or asset, a market, a geographic area, an intended use, specific laws and regulations, or an analytical method. The appraiser is familiar with the subject property type and market area. Furthermore, the appraiser has the education, experience and competency to appropriately utilize the analytical methods employed in this report. The appraiser certifies that he had the ability to properly identify the problem to be addressed, the knowledge and experience to complete the assignment competently and recognition of and compliance with laws and regulations that apply to the appraiser or to the assignment. |
| Reasonable Exposure Time | <p data-bbox="662 890 1453 1142">Exposure time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market." [Source: Appraisal Institute, <u>The Dictionary of Real Estate Appraisal</u>, 5th ed. (Chicago: Appraisal Institute), 2010]</p> <p data-bbox="662 1188 1453 1402">A reasonable exposure time is the amount of time necessary to expose a property to the open market in order to achieve a sale. The estimate of a reasonable exposure time is not intended to be a prediction of a date of sale. Furthermore, exposure time is always presumed to occur prior to the effective date of the appraisal. Implicit in this definition are the following characteristics:</p> <ul data-bbox="662 1434 1453 1734" style="list-style-type: none"><li data-bbox="662 1434 1453 1539">• the property is actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar type property;<li data-bbox="662 1549 1453 1654">• the property is offered at a price reflecting the most probable markup over market value used by sellers of similar type property; and,<li data-bbox="662 1665 1453 1734">• sale is consummated under the terms and conditions of the definition of Market Value. <p data-bbox="662 1780 1453 1921">It is my opinion that the reasonable exposure time, or the length of time necessary for the subject property to be exposed to the market prior to an arm's length sale occurring at the market value as concluded herein, is 1- to 2-years.</p> |

Definitions

Market Value is defined as: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

[Source 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994]

Fee Simple Estate is defined as: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat." [Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute), 2010]

Highest and Best Use is defined as: "The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity." [Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute), 2010]

City of Milwaukee Overview

The subject property is located on the east side of downtown Milwaukee which is in east-central Milwaukee County. The City of Milwaukee is the largest city in Wisconsin and the major economic center in the State. The City of Milwaukee has experienced population loss over the past several decades which is attributable to the outward migration of residents into the more suburban counties, namely Ozaukee, Waukesha, and Washington Counties. The City of Milwaukee comprises the majority of Milwaukee County and therefore many of the demographic and employment statistics for Milwaukee County are applicable to the city of Milwaukee as well. The historical population levels for the city of Milwaukee and Milwaukee County are summarized below.

| | 1980 | 1990 | 2000 | 2010 | Projected 2015 | Projected 2020 |
|-------------------|---------|---------|---------|---------|----------------|----------------|
| City of Milwaukee | 636,295 | 628,088 | 596,974 | 594,833 | 578,030 | 571,564 |
| % Annual Change | - | -0.1% | -0.5% | -0.04% | -0.6% | -0.2% |
| Milwaukee County | 964,988 | 959,275 | 940,164 | 929,208 | 928,077 | 923,910 |
| % Annual Change | - | -0.1% | -0.2% | -0.1% | -0.02% | -0.1% |

Source: WI Dept of Administration

Through the next 5- to 10-years, population in both the city and county are projected to continue modest annual levels of decline despite the resurgence of new downtown housing projects and a trend toward urbanization, i.e. empty nesters and young professionals living downtown to be closer to the areas cultural and entertainment districts.

Milwaukee County is the cultural and economic heart of the region with almost as many residents, jobs and businesses as all of the other counties combined. The City of Milwaukee, the 22nd largest city in the nation, is home to eight Fortune 1000 companies including Harley-Davidson, Joy Global, Manpower, Northwestern Mutual, Rockwell Automation, Roundy's, A.O. Smith and We Energies. Two more Fortune 1000 companies are based in the surrounding suburbs – Briggs & Stratton and Johnson Controls.

Detailed demographic data within a 1, 3, and 5-mile radius of the subject property is presented below and on the following two pages.

| | | Executive Summary | | |
|--|---------------|--------------------------------|----------------|--|
| | | Prepared by Lawrence Nicholson | | |
|  909 E. Michigan Street 909 E Michigan St, Milwaukee, WI, 53202 Ring: 1, 3, 5 Miles | | Latitude: 43.037649 | | |
| | | Longitude: -87.899979 | | |
| | 1 mile radius | 3 miles radius | 5 miles radius | |
| 2010 Population | | | | |
| Total Population | 15,649 | 181,925 | 409,335 | |
| Male Population | 54.3% | 50.8% | 49.0% | |
| Female Population | 45.7% | 49.2% | 51.0% | |
| Median Age | 35.6 | 28.5 | 30.4 | |
| 2010 Income | | | | |
| Median HH Income | \$43,886 | \$33,186 | \$40,456 | |
| Per Capita Income | \$43,126 | \$18,445 | \$20,293 | |
| Average HH Income | \$63,496 | \$44,864 | \$50,714 | |
| 2010 Households | | | | |
| Total Households | 10,338 | 72,009 | 159,959 | |
| Average Household Size | 1.36 | 2.38 | 2.47 | |
| 2010 Housing | | | | |
| Owner Occupied Housing Units | 12.3% | 21.1% | 35.1% | |
| Renter Occupied Housing Units | 76.7% | 64.7% | 53.2% | |
| Vacant Housing Units | 10.9% | 14.1% | 11.7% | |
| Population | | | | |
| 1990 Population | 12,040 | 194,583 | 437,617 | |
| 2000 Population | 13,376 | 178,451 | 406,931 | |
| 2010 Population | 15,649 | 181,925 | 409,335 | |
| 2015 Population | 16,387 | 183,426 | 410,953 | |
| 1990-2000 Annual Rate | 1.06% | -0.86% | -0.72% | |
| 2000-2010 Annual Rate | 1.54% | 0.19% | 0.06% | |
| 2010-2015 Annual Rate | 0.93% | 0.16% | 0.08% | |
| In the identified market area, the current year population is 409,335. In 2000, the Census count in the market area was 406,931. The rate of change since 2000 was 0.06 percent annually. The five-year projection for the population in the market area is 410,953, representing a change of 0.08 percent annually from 2010 to 2015. Currently, the population is 49.0 percent male and 51.0 percent female. | | | | |
| Households | | | | |
| 1990 Households | 7,324 | 74,150 | 165,693 | |
| 2000 Households | 8,716 | 69,913 | 157,945 | |
| 2010 Households | 10,338 | 72,009 | 159,959 | |
| 2015 Households | 10,877 | 72,974 | 161,064 | |
| 1990-2000 Annual Rate | 1.76% | -0.59% | -0.48% | |
| 2000-2010 Annual Rate | 1.68% | 0.29% | 0.12% | |
| 2010-2015 Annual Rate | 1.02% | 0.27% | 0.14% | |
| The household count in this market area has changed from 157,945 in 2000 to 159,959 in the current year, a change of 0.12 percent annually. The five-year projection of households is 161,064, a change of 0.14 percent annually from the current year total. Average household size is currently 2.47, compared to 2.49 in the year 2000. The number of families in the current year is 85,514 in the market area. | | | | |
| Housing | | | | |
| Currently, 35.1 percent of the 181,057 housing units in the market area are owner occupied; 53.2 percent, renter occupied; and 11.7 percent are vacant. In 2000, there were 171,384 housing units - 36.6 percent owner occupied, 55.6 percent renter occupied and 7.8 percent vacant. The rate of change in housing units since 2000 is 0.54 percent. Median home value in the market area is \$99,512, compared to a median home value of \$157,913 for the U.S. In five years, median home value is projected to change by 2.84 percent annually to \$114,496. From 2000 to the current year, median home value changed by 2.1 percent annually. | | | | |
| <small>Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015. Esri converted 1990 Census data into 2000 geography.</small> | | | | |



909 E. Michigan Street
909 E Michigan St, Milwaukee, WI, 53202
Ring: 1, 3, 5 Miles

Executive Summary
Prepared by Lawrence Nicholson

Latitude: 43.037649
Longitude: -87.899979

| | 1 mile radius | 3 miles radius | 5 miles radius |
|---------------------------------|---------------|----------------|----------------|
| Median Household Income | | | |
| 1990 Median HH Income | \$21,168 | \$15,943 | \$21,131 |
| 2000 Median HH Income | \$33,453 | \$24,656 | \$30,675 |
| 2010 Median HH Income | \$43,886 | \$33,186 | \$40,456 |
| 2015 Median HH Income | \$56,431 | \$40,753 | \$48,513 |
| 1990-2000 Annual Rate | 4.68% | 4.46% | 3.6% |
| 2000-2010 Annual Rate | 2.69% | 2.94% | 2.74% |
| 2010-2015 Annual Rate | 5.16% | 4.19% | 3.7% |
| Per Capita Income | | | |
| 1990 Per Capita Income | \$20,715 | \$9,010 | \$10,699 |
| 2000 Per Capita Income | \$34,735 | \$14,459 | \$16,374 |
| 2010 Per Capita Income | \$43,126 | \$18,445 | \$20,293 |
| 2015 Per Capita Income | \$52,354 | \$22,103 | \$23,853 |
| 1990-2000 Annual Rate | 5.3% | 4.84% | 4.35% |
| 2000-2010 Annual Rate | 2.13% | 2.4% | 2.12% |
| 2010-2015 Annual Rate | 3.95% | 3.68% | 3.29% |
| Average Household Income | | | |
| 1990 Average Household Income | \$33,102 | \$22,784 | \$27,618 |
| 2000 Average Household Income | \$51,981 | \$35,894 | \$41,249 |
| 2010 Average HH Income | \$63,496 | \$44,864 | \$50,714 |
| 2015 Average HH Income | \$77,008 | \$53,596 | \$59,485 |
| 1990-2000 Annual Rate | 4.62% | 4.65% | 4.09% |
| 2000-2010 Annual Rate | 1.97% | 2.2% | 2.04% |
| 2010-2015 Annual Rate | 3.93% | 3.62% | 3.24% |

Households by Income

Current median household income is \$40,456 in the market area, compared to \$54,442 for all U.S. households. Median household income is projected to be \$48,513 in five years. In 2000, median household income was \$30,675, compared to \$21,131 in 1990.

Current average household income is \$50,714 in this market area, compared to \$70,173 for all U.S. households. Average household income is projected to be \$59,485 in five years. In 2000, average household income was \$41,249, compared to \$27,618 in 1990.

Current per capita income is \$20,293 in the market area, compared to the U.S. per capita income of \$26,739. The per capita income is projected to be \$23,853 in five years. In 2000, the per capita income was \$16,374, compared to \$10,699 in 1990.

Population by Employment

| | | | |
|------------------|--------|---------|---------|
| Total Businesses | 3,289 | 8,571 | 15,093 |
| Total Employees | 81,312 | 161,654 | 243,024 |

Currently, 83.4 percent of the civilian labor force in the identified market area is employed and 16.6 percent are unemployed. In comparison, 89.2 percent of the U.S. civilian labor force is employed, and 10.8 percent are unemployed. In five years the rate of employment in the market area will be 86.0 percent of the civilian labor force, and unemployment will be 14.0 percent. The percentage of the U.S. civilian labor force that will be employed in five years is 91.2 percent, and 8.8 percent will be unemployed. In 2000, 63.7 percent of the population aged 16 years or older in the market area participated in the labor force, and 0.0 percent were in the Armed Forces.

In the current year, the occupational distribution of the employed population is:

- 57.9 percent in white collar jobs (compared to 61.6 percent of U.S. employment)
- 21.2 percent in service jobs (compared to 17.3 percent of U.S. employment)
- 20.9 percent in blue collar jobs (compared to 21.1 percent of U.S. employment)

In 2000, 64.5 percent of the market area population drove alone to work, and 2.2 percent worked at home. The average travel time to work in 2000 was 22.1 minutes in the market area, compared to the U.S. average of 25.5 minutes.

Population by Education

In 2010, the educational attainment of the population aged 25 years or older in the market area was distributed as follows:

- 21.3 percent had not earned a high school diploma (14.8 percent in the U.S.)
- 28.7 percent were high school graduates only (29.6 percent in the U.S.)
- 5.9 percent had completed an Associate degree (7.7 percent in the U.S.)
- 15.8 percent had a Bachelor's degree (17.7 percent in the U.S.)
- 9.6 percent had earned a Master's/Professional/Doctorate Degree (10.4 percent in the U.S.)

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Earl forecasts for 2010 and 2015. Earl converted 1990 Census data into 2000 geography.



Site Map

909 E. Michigan Street
909 E Michigan St, Milwaukee, WI, 53202
Ring: 1, 3, 5 Miles

Prepared by Lawrence Nicholson

LSH/US/ 4.2.03.2018

ringcode: 01-000000



The City has a stable and diverse employment base and has many large employers, with no substantial reliance on any one employer or industry. Milwaukee's economy was negatively affected by the economic recession beginning in mid-2008; however, the economy appears to be heading towards recovery but the duration of the recovery is uncertain.

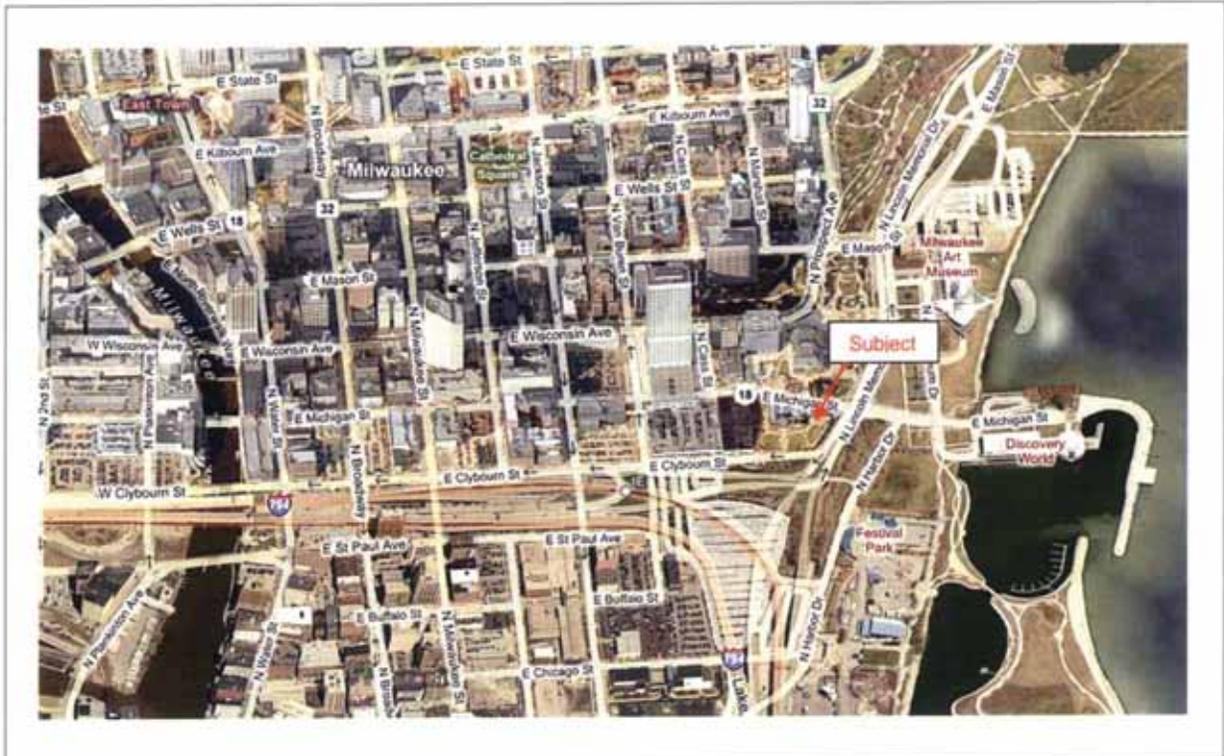
According to the Metropolitan Milwaukee Association of Commerce ("MMAC"), a large portion of the local labor force is employed in the manufacturing sector. Service businesses, however, constitute the largest sector of the local economy, with much of the growth occurring in financial and insurance services, including e-commerce and data processing services. Tourism is also a major contributor to the local economy. The area's many festivals and parades, as well as its nationally recognized museums and zoo, generate \$2.5 billion annually. Milwaukee is home to many nationally and internationally known service companies in all major market segments, including insurance, financial services, utilities, retail and food services.

In the past ±10 years, downtown has been developed with more than 3,000 condominiums offering panoramic views of Lake Michigan, the Milwaukee River and the city's historic Third Ward, Brewer's Hill and Walker's Point areas. During the summer, the city's lakefront festival park offers a variety of musical entertainment venues, which is home to numerous ethnic festivals and Summerfest, an 11-day extravaganza that is the world's largest music festival. Downtown cultural attractions include the Milwaukee Art Museum and its internationally acclaimed Calatrava addition, the downtown theater district and the Marcus Center for the Performing Arts. Sports fans can enjoy professional baseball with the Milwaukee Brewers, professional basketball with the Milwaukee Bucks and professional hockey with the Milwaukee Admirals.

The city is home to major institutions of higher education: Marquette University, with an enrollment of 11,000 undergraduate and graduate students; and, the University of Wisconsin–Milwaukee, the second largest campus in the UW system with more than 27,000 students. Universities and colleges within the city include: Alverno College, Cardinal Stritch University, Keller Graduate School, Marquette University, Medical College of Wisconsin, Milwaukee Area Technical College, Milwaukee Institute of Art & Design, Milwaukee School of Engineering, Mount Mary College, Stratton College, University of Wisconsin – Milwaukee, and Wisconsin Lutheran College.

Neighborhood Overview

Land uses within a neighborhood are affected by similar operation of the four forces (social, economic, governmental, and environmental) that affect property value. The subject neighborhood can be generally described as being Milwaukee's central business district and lake front area. A Neighborhood Map is presented on the following page and an aerial photograph of the neighborhood is below. The neighborhood is in the stable stage of its life cycle.





Summary of Property Appraised

| | |
|------------------|---|
| Parcel | Photographs of the subject property and other property-related information are provided in Exhibit A. Reduced copies of parcel plats are provided in Exhibit A. |
| Size | 2.207 acres (96,130 square feet) The parcel size was taken from information provided by the property owner and was considered reliable. Nonetheless, should any further detailed measurements of the parcel indicate a significant difference in the size, the value of the subject property as concluded herein may change and I reserve the right to revisit our valuation analyses and amend my opinion. |
| Shape | Irregular rectangular (please refer to the plats in Exhibit A). |
| Frontage | The parcel fronts along E. Michigan Street on its north side, N. Lincoln Memorial Drive on its east side and E. Clybourn Street on its south side. Frontage is adequate. |
| Visibility | The subject property is readily visible from the fronting streets. The parcel has excellent views of Lake Michigan and Milwaukee's lake front areas to the east. |
| Access Points | Access is from both E. Michigan and E. Clybourn Streets and is adequate for the parcel's highest and best use. |
| Topography | The parcel is generally level and at grade with the fronting streets. |
| Soils | No subsurface investigations were conducted. The Nicholson Group LLC is not responsible for and has not undertaken an investigation of unapparent conditions, and cannot render a definitive opinion about buildability. Our market value opinion is based on the assumption that the subject land is buildable. Our conclusion of value is based upon the assumption that there are no hidden or unapparent conditions of the property that might impact upon buildability. We recommend due diligence be conducted through local building department or municipality to investigate buildability and whether property is suitable for intended use. The Nicholson Group LLC makes no representations, guarantees or warranties. |
| Utility Services | Public utilities, including gas, electricity, telephone, municipal water and sewer are available and adequate to service the site. |

| | |
|---|---|
| Easements | <p>We are not aware of any easements which would adversely affect utility or marketability of the site nor has any such information been provided by the property owner. Standard utility easements likely exist but we have not investigated these. The Nicholson Group LLC cannot guarantee that property is free of encroachments or easements and recommends further investigation and survey.</p> |
| Improvements | <p>The subject parcel is improved with the Milwaukee County Transit Downtown Complex, a bus waiting station and a bus marshalling structure. The improvements were constructed in 1992 as a special purpose facility containing a gross building area of 111,460 square feet as per information provided by the owner. The highest and best use of the property is for demolition of the existing improvements creating a vacant parcel available for future commercial development and as such, this description of the improvements has intentionally been brief. A detailed description as provided by the property owner is contained in Exhibit A.</p> |
| History of Ownership and Property Sales | <p>According to USPAP, an appraiser must analyze all agreements of sale, options, and listings of the subject property current as of the effect date of the appraisal; and, analyze all sales of the subject property that occurred within the three years prior to the effective date of the appraisal. The subject property is not currently under sale contract nor is it listed for sale; there has been no arm's length sale of the property within the past three years.</p> |
| Assessments and Taxes | <p>The subject property is owned by Milwaukee County as therefore is not assessed by the City of Milwaukee. The parcel's tax parcel number is 392-1678-121.</p> |
| Zoning | <p>The property is zoned PK, Parks District, which is a special district in the City of Milwaukee. Special districts are intended to identify areas of the city that have unique qualities requiring special treatment or locations where special approaches to development may be warranted. Special districts are base districts designed to protect or regulate the development of unique areas or to provide more flexible zoning districts which encourage good design and site layout. Special districts contain or provide, by reference, all applicable zoning regulations.</p> <p>The purpose of the PK Parks District is to accommodate a wide variety of public and quasi-public open spaces and facilities providing recreational and cultural opportunities and supporting services for surrounding neighborhoods.</p> |

On October 12, 2010 the City of Milwaukee Common Council approved the Downtown Area Plan. The subject property is situated with the Downtown Lakefront District. The Plan's recommendations for the subject parcel include: 1) "Relocate the Downtown Transit Center to the Station District to complement the Intermodal Station and proposed streetcar line"; and, 2) "Develop vertically above the transit center site with a single or a mix of uses with a public plaza or public wintergarden occupying the ground floor and terracing down to Lincoln Memorial Drive". The property is part of a catalytic project for the Lakefront District, namely a Lakefront cultural park and gateway facilitated by a reconfigured Lakefront traffic pattern, presented on page 197 in the plan as follows:

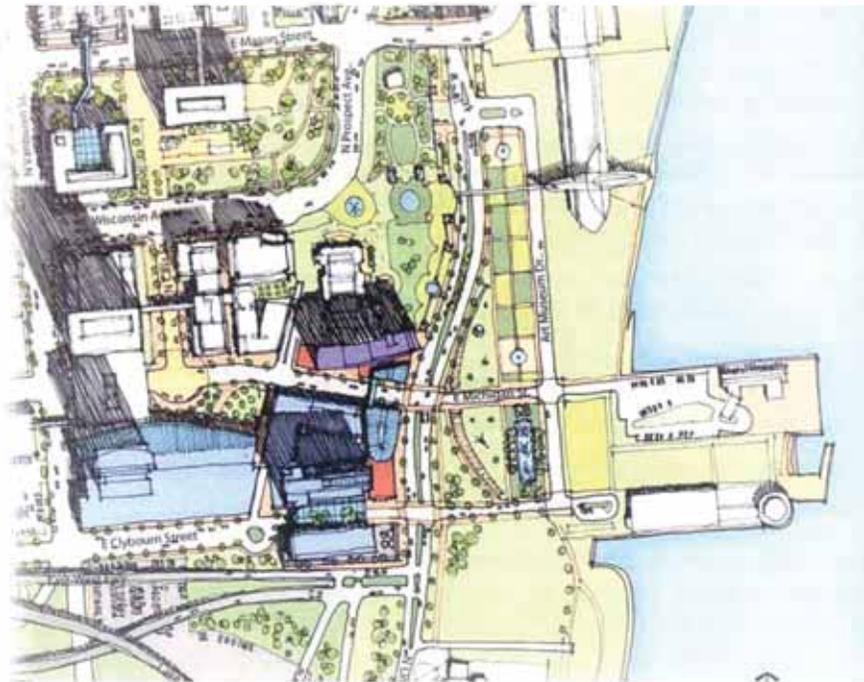
Catalytic Project – A Lakefront cultural park and gateway facilitated by a reconfigured Lakefront traffic pattern.

A necessary ingredient in the creation of future improvements and public activities along the Lakefront is a reduction in traffic/pedestrian conflicts and barriers to pedestrian access between Downtown and the Lakefront. The proposed modifications to the Lakefront street and land utilization pattern has advantages in setting the stage for new development on the west side of Lincoln Memorial Drive as well as additional Lakefront activities, users, and energy on the east side of Lincoln Memorial Drive. Features include:

- Shift the existing alignment of Lincoln Memorial Drive south of Michigan Street and re-locating the Downtown Transit Center results in the creation of two high-value development sites on the west side of the Drive.
- An internationally recognized park and cultural campus. A new Lakefront plaza or park is created by extending the linear arrangement of the municipal pier out to a re-configured Lincoln Memorial Drive and backdropped by a glass curtain wall and public wintergarden from development at the current Downtown Transit Center site.
- A new "Lakefront Plaza" can accommodate a composition of sculptures, exhibits, interactive fountains, as well as retail kiosks and pavilions.
- The space closest to Downtown is 74,800 sq ft in size, and the overall area is 184,000 sq ft, plus the 30,000 sq. ft. triangular space to the west of Kiley Gardens.
- There are no through-streets conflicting with pedestrians to the east of Lincoln Memorial Drive.
- Improved pedestrian access. Elimination of the dedicated right-turn lanes at Michigan Street reduces pedestrian crossings from seven to five lanes.

In conclusion, an invigorated Lakefront District could consist of a wide range of open space, recreational, cultural, educational, and entertainment uses, adjoined on the west by a dramatic edge consisting of commercial developments in two or three architecturally-expressive towers built on air-rights over public wintergardens, gallery spaces, and internal grade transitions. This synergistic combination of uses within a fully-integrated urban design concept would significantly enhance Milwaukee's identity and competitiveness.

City of Milwaukee - Downtown Comprehensive Plan



Page 199

It appears likely that the city would be willing to rezone the subject parcel to accommodate its commercial development consistent with the Downtown Area Plan.

The improvements appear to represent a legally conforming use. However, it is assumed all necessary permits and approvals were secured and the improvements have been constructed and comply with local zoning ordinances, building codes, and all other applicable regulations or have been legally "grandfathered".

The preceding descriptions of the applicable subject zoning are summaries only and are not meant to be complete. The reader is strongly encouraged to obtain and read all applicable ordinances for complete zoning information. We make no guarantees or warranties pertaining to the zoning applicable to the subject property or to any of our interpretations of the zoning ordinance. Furthermore, we do not guarantee or warrant any zoning or building code compliance. If a user of this report has an issue relating to the zoning or building codes as they pertain to the subject property, it is strongly recommended that any such user obtain professional zoning and/or building code consultation from a qualified person.

Floodplain

According to FIRM map community panel #55079C0092E, dated September 26, 2008, the site falls within Zone X identified as areas of minimal flooding and not within the designated 100-year floodplain.

Hazardous Materials

Upon physical inspection of the subject property, no indication "to the untrained eye" of any environmental hazards were apparent nor were any issues brought to our attention. We have assumed that there are no unresolved or unknown environmental problems within the boundaries of the subject property. However, an appraiser is not qualified to assess environmental issues and is not considered an expert in this field.

Substances such as asbestos, mold, lead paint, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials could, if present, adversely affect the value of the property. Unless otherwise stated in this report, the existence of hazardous substances, which may or may not be present on or in the property, was not considered by the appraiser in the development of the conclusion of value. The stated value estimate is predicated on the assumption that there is no material on or in the property that would cause such a loss in value. No responsibility is assumed for any such conditions, and the client and any reader of this report is hereby advised that the appraiser is not qualified to detect such substances or develop the remediation cost.

Full compliance with applicable federal, state, and local environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the report. It is also assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national government or private entity organization either have been or can be obtained or renewed for any use which the report covers.

Highest and Best Use

Legally Permissible

Legal restrictions as they apply to the parcel involve the public restrictions of zoning and the private restrictions of easements. Although the property is currently zoned PK, Parks District, it appears likely that the city would be willing to rezone the subject parcel to accommodate its commercial development consistent with the Downtown Area Plan. Page 197 states the following regarding the subject site: "In conclusion, an invigorated Lakefront District could consist of a wide range of open space, recreational, cultural, educational, and entertainment uses, adjoined on the west by a dramatic edge consisting of commercial developments in two or three architecturally-expressive towers built on air-rights over public wintergardens, gallery spaces, and internal grade transitions. This synergistic combination of uses within a fully-integrated urban design concept would significantly enhance Milwaukee's identity and competitiveness".

As previously stated, this appraisal has been made under the extraordinary assumption that the current zoning can be changed to accommodate the property's development to its highest and best use. Based on the legal-political attributes of the parcel, a vertical, high-density development with an office and/or mixed-use project is concluded to be legally permissible.

Physically Possible

Physical aspects of the site impose constraints on possible uses of the property. Size, shape, topography and soils are key determinants of physically possible uses. Based on a review of the physical aspects of the parcel, the legally permitted uses are physically possible. The improvements were constructed in 1992 as a special purpose facility containing a gross building area of 111,460 square feet. Given the special purpose nature of the existing transit center improvements, conversion to a different type of use although physically possible, is not probable.

Financially Feasible

Testing financial feasibility of the property as improved involves determining if the existing improvements generate a positive return to the land as if vacant or if the value of the underlying land parcel exceeds the property value as currently improved. The transit facility improvements are publically owned and do not generate an economic return from a real estate investment standpoint. It is highly improbable that conversion to an alternative use would be economically feasible. Given the parcel size and locational attributes, the value of the underlying land parcel exceeds the value of the property as currently improved even after consideration of the estimated \$700,000 in demolition costs.

Over the past several years, the economic recession has severely impacted the real estate markets. Financing for new construction has become scarcer with increased lending standards, many retailers are closing stores or halting planned expansions, and demand for office space has significantly decreased. Despite the recent economic downturn, the long-term outlook for the subject neighborhood is good due to its established nature and location on the east side of downtown Milwaukee in the Lakefront District.

The appraisal problem and scope of work did not warrant an intensive highest and best use study. Given the nature of the subject real estate, the conclusion of highest and best use was based on logic, observed evidence, and the valuation analyses as summarized within this appraisal report.

Given the legal, physical and locational attributes of the subject property coupled with our extensive valuation experience in this market area, the future development of an office and/or mixed-use project is concluded to be financially feasible, however, the timing of such a development is uncertain due to the lingering effects of the recent economic recession.

Maximally Productive & Highest and Best Use

The most productive use of the subject property is to maximize its development potential given its legal, physical and locational attributes. The concluded maximally productive use and highest and best use of the land parcel is for future development with an office and/or mixed-use project in accordance with the recent Downtown Area Plan. The current use is an interim use. The highest and best use of the property is for demolition of the existing improvements creating a vacant parcel available for future commercial development. As such, this appraisal consists of a land valuation analysis that considers the estimated cost of demolishing the improvements.

Overview of Valuation Procedures

| | |
|--------------------------------|---|
| Cost Approach | In the Cost Approach, an estimate is made of the current replacement cost new of the improvements. This amount is then adjusted to reflect depreciation resulting from physical deterioration, as well as functional and external obsolescence. The adjusted cost indication is then added to the estimated market value of the land resulting in an indication of value. |
| Sales Comparison Approach | In the Sales Comparison Approach, similar properties that have recently sold in the competitive market are analyzed and compared with the property being appraised. Adjustments are typically considered for differences in such factors as property rights conveyed; financing; conditions of sale; market conditions (date of sale); location; size; and, other physical characteristics. Analysis of comparable sales and current offerings provide a range of unit prices within which the current real estate market is operating and within which the appraised property might be expected to sell. |
| Income Capitalization Approach | The Income Capitalization Approach involves forecasting the income and expenses of the subject property based on analysis of comparable rentals and market trends, and obtaining capitalization or discount rates from the market to convert the financial forecasts into value estimates. |
| Approaches Used | As previously discussed in the Scope of Work section, the Sales Comparison Approach was used in this appraisal. |

Sales Comparison Approach

Introduction

Land is valued as if vacant and available for development to its highest and best use. Similar land that has recently sold or is offered for sale is investigated and a comparative analysis is made of factors influencing value. Land valuation can be very difficult due to the fact that no two land parcels are exactly similar thereby making comparison analysis more subjective in nature. Nonetheless, the land sales that have occurred in the market area over the past several years coupled with my investigations, experience and analysis has allowed me to form a reliable opinion of value.

In the Sales Comparison Approach to valuation, similar properties that have recently sold in the market area are analyzed and compared with the property being appraised. Adjustments are considered for such factors as property rights conveyed, financing, conditions of sale, market conditions (date of sale), location and physical characteristics of the property as compared to the subject property.

Comparable Sales

The following key attributes were considered in selecting the most appropriate comparable sales to use in valuing the property:

Location – The immediate downtown area as well as periphery areas of the central business district.

Highest & Best Use – Parcels with higher density commercial and mixed-use development potential. Due to their locations that afford excellent lake views, two higher density residential land sales were included as comparable sales.

Size – ±10,000 to ±150,000 square feet

Date of Sale – First, 2010 and 2011 to reflect the impact of the recent economic recession on value. Due to the lack of recent sales, properties selling from 2006 to the present were also considered. One sale in 2003 was included in the analysis due to its location on the near north side of the downtown area with lake views.

The search resulted in the following land sales that met the aforementioned parameters; a map showing their locations is presented on the following page. More detailed information is presented in Exhibit B. These comparables are considered reasonably similar properties, the analysis of which results in a credible opinion of value for the subject property after appropriate comparative analysis considerations.

| Land Sales Summary | | | | | |
|--------------------|--|--|--|---|-------------------------------|
| Comp # | Location | Seller Buyer | Sale Date Size | Sale Price \$/Sq. Ft. | Water Frontage Corner |
| Subject | 909 E. Michigan Street SWC N. Lincoln Memorial Dr & E. Michigan St | Milwaukee County | 19-Dec-11 96,130 Sq. Ft. 2.207 Acres | | Lake View Corner |
| 1 | Marriott Hotel Assemblage, E. Wisconsin Ave & N. Milwaukee St 319-327 E. Wisconsin & 627-631 N. Milwaukee | 1) MBI Properties LLC; 2) Milwaukee NOWI LLC to 1) Jackson Street Management LLC; 2) Wisconsin & Milwaukee Hotel LLC | Aug-11 32,600 Sq. Ft. 0.748 Acres | \$3,700,000 \$113.50 (+ Demolition) | None Non-Corner |
| 2 | SEC W. Juneau Ave & N. Old World 3rd St 201 W. Juneau Avenue | RFP Parking LLC to Milwaukee River Hotel-P LLC | Jun-10 55,844 Sq. Ft. 1.282 Acres | \$2,275,000 \$40.74 | Milwaukee River Corner |
| 3 | N. Broadway, Between E. St. Paul & E. Buffalo 330 N. Broadway & 331 N. Milwaukee Street | Broadway Partners to DJRJ LLC | Jun-09 28,722 Sq. Ft. 0.659 Acres | \$1,693,300 \$58.95 | None Interior (Dual Frontage) |
| 4 | SEC N. Water St & E. Juneau Ave 1124-1144 N. Water Street | Market Street Partners II LLP to DOC Milwaukee LP | Dec-06 28,662 Sq. Ft. 0.658 Acres | \$2,200,000 \$76.76 | None Corner |
| 5 | Park Lafayette Parcel 2000-2038 N. Prospect Ave | Sik Kin Wu to Renaissant Lafayette LLC | Apr-06 44,488 Sq. Ft. 1.021 Acres | \$6,500,000 \$146.11 | Lake View Corner |
| 6 | Kilbourn Tower Parcel 923 E. Kilbourn Ave | City of Milwaukee to Kilbourn Tower LLC | Jul-03 10,800 Sq. Ft. 0.248 Acres | \$700,000 \$64.81 | Lake View Corner |



Comparable 1 – This is the assemblage of four parcels in two transactions for the construction of a 200 unit, 9-story full service Marriott Hotel at the southwest corner of E. Wisconsin Avenue and N. Milwaukee Street, however, the assembled parcel excludes the small corner parcel that is improved with a historic office building at 329 E. Wisconsin Avenue. The transaction occurred on August 31, 2011 after receiving development approvals from the city; the project was first publically announced in 2010. There had been controversy regarding the demolition of 19th century historic buildings and it was agreed with the City that the facades of the E. Wisconsin Avenue buildings will not be demolished; the N. Milwaukee Street buildings will be demolished. The total sale price was \$3,700,000 (\$2,300,000 for the E. Wisconsin Avenue buildings+ \$1,400,000 for the N. Milwaukee Street buildings). The sale price is equal to \$113.50 per square foot of land area. Adding estimated demolition costs of \$500,000 results in an adjusted price of \$4,200,000 or \$128.83 per square foot of land area. The \$54 million hotel project will not include any public subsidies. The 9-story structure will include a restaurant, bar and underground parking for ±50 cars and will take 1.5- to 2-years to complete.

Comparable 2 – This is the June 2010 sale of ±55,844 total square feet of land located along N. Old World Third Street, just south of W. Juneau Avenue. The sale involved the transfer of two non-contiguous parcels: 1) a ±48,344 square foot parcel on the west bank of the Milwaukee Rive at the southeast corner of N. Old World Third Street and W. Juneau Avenue and, 2) a ±7,500 square foot parcel located on the west side of N. Old World Third Street, south of W. Juneau Avenue. The sale price in this transaction was \$2,275,000 or \$40.74 per square foot. The larger of the two parcels along the Milwaukee River shares its access point along N. Old World Third Street with the abutting Riverfront Plaza building to the south. The shared access area (±12,158 square feet) lies entirely within this comparable's land area. The shared access area has a contributory value of 50% of its underlying land area and applying this factor to the share access area results in an indicated upward adjustment of +12% or \$275,000. The adjusted price reflects the price for this parcel as if there is no shared access drive area.

The adjusted sale price in this transaction is \$2,550,000 or \$45.66 per square foot. The development plans for these parcels are unclear. The buyer in this transaction is a Milwaukee-based hotel developer and was involved in the development of the Aloft Hotel, located just north of this property. The seller in this transaction acquired this property in June 2007, indicating a decline in sale price (2010 vs. 2007) of approximately -7.1%.

Comparable 3 – This marks the sale of two adjacent parcels totaling 28,722 square feet located at 330 N. Broadway and 331 N. Milwaukee Street in the City of Milwaukee's Historic Third Ward. The sale took place in one transaction in June 2009 for a price of \$1,693,300 or \$58.95 per square foot. The parcels have a desirable location on the north side of the Third Ward, south of E. St Paul Avenue, north of E. Buffalo Street, east of N. Broadway, and west of N. Milwaukee Street. Being located in the middle of the block, the parcels have frontage on both N. Broadway and N. Milwaukee Street. This parcel represents one of a few remaining vacant land parcels available for development in the Third Ward. In 2006, the seller had proposed an 18-story building featuring a 150 room hotel, upscale health club, 30 condominiums and parking structure failed to get financing. The current buyer is holding for future development.

Comparable 4 – This property ±28,662 square foot parcel sold in December, 2007 for a total sale price of \$2,200,000 or \$76.76 per square foot. This property has an excellent location at the southeast corner of N. Water Street and E. Juneau Avenue, just east of the Milwaukee River. The buyer, Development Opportunity Corporation is planning on building a \$33 million mixed-use building that would include a 128-room Staybridge Suites extended stay hotel; 31 condominiums; 14,000 square feet of retail space on the first floor; and two floors of parking. Also, the roof area will utilized as green space in the form of a rooftop garden. As of October, 2007, construction had already begun with a target finish date in spring, 2008. The transfer included 5 city-owned parcels totaling ±9,200 square feet that were at the corner of the two fronting streets as well as a north-south alley accessible via E. Juneau, just east of N. Water. This area will no longer be an alley as the building will be sited in this area.

Comparable 5 – Located on Milwaukee's East Side, on the bluff overlooking Lake Michigan; the property is located at the northeast corner of N. Prospect Avenue and E. Lafayette Place in a vibrant, redeveloping area. E. Lafayette Place provides direct access to N. Lincoln Memorial Drive and Lake Michigan. The buyer/developer plans to build a 291-unit condominium project in twin, 20-story towers to be known as Park Lafayette. The \$90 million condominium project will offer Lake Michigan views and will have unit pricing from \$222,000 for a 1-bedroom, 740-square foot unit up to \$450,000 for a 2-bedroom, 1,248-square foot unit. The buildings will have a 446-space underground parking structure. Approval was received in December, 2005; construction is expected to be completed in 2008; as of May, 2006, about 50-units have been reserved. The project will have two towers and also 10 townhouses.

This property was acquired in April, 2006 for \$6,500,000 or \$146.11 per square foot; based on the 291 planned condos, the sale price is equal to \$22,337 per unit. Although the price per square foot reflects the highest land price per square foot in the metropolitan area, the price per dwelling unit is in-line with land prices for high density residential condominiums projects.

Comparable 6 – Located at the southwest corner of E. Kilbourn and N. Prospect Avenues, Kilbourn Towers is a luxury condominium project with 33-floors offering excellent views of Lake Michigan and Milwaukee's skyline. The completed \$62 million, 74-unit project has units selling from about \$700,000 to over \$2,200,000. There are 4-levels of underground parking.

The 10,800 square foot parcel was sold through a bid/development plan submittal process; there were five bids/development plans submitted. The accepted bid was reportedly not necessarily the highest land price but maximized the development property value. The sale price consisted of a \$700,000 purchase price plus \$118,000 paid to the City to vacate the existing right-turn lane from E. Kilbourn Avenue to N. Prospect Avenue and \$250,000 paid to the City for upgrades to E. Kilbourn Avenue; the total price is \$1,068,000 or \$98.89 per square foot and \$14,432 per dwelling unit.

Adjustment Considerations

Capital Expenditures – The total price paid for a land parcel is reflected as the purchase price paid by the seller plus the costs associated with making the site vacant, that is, demolition costs. Additionally, the costs associated with environmental remediation must also be considered; environmental costs often are associated with asbestos and/or lead paint removal prior to demolition of the improvements as well as the remediation of soil contaminants. By adding the demolition and environmentally related costs to the amount paid to the seller, the resulting total reflects the true cost to the buyer of obtaining a vacant, environmentally clean developable parcel of land.

Other than Comparable 1, the other comparables sold as unimproved land and did not require any adjustments with respect to demolition; furthermore, no adjustments for environmental contamination were necessary. Comparable 1 was improved with various improvements at the time of sale and therefore the sale price was adjusted upward for the estimated \$500,000 in demolition costs that the buyer/developer must incur.

Property Rights Conveyed - Comparable 2 has two separate parcels associated with the sale; the larger of the two parcels along the Milwaukee River shares its access point along N. Old World Third Street with the abutting Riverfront Plaza building to the south. The shared access area ($\pm 12,158$ square feet) lies entirely within this comparable's land area. The shared access area has a contributory value of 50% of its underlying land area and applying this factor to the shared access area results in an indicated upward adjustment of +12% or \$275,000. The adjusted price reflects the price for this parcel as if there is no shared access drive area. The other comparables did not require any adjustments with respect to property rights conveyed.

Financing Terms - No adjustments were made for financing.

Conditions of Sale - No adjustments were made for conditions of sale.

Market Conditions (Time) – The national, regional, and local economies entered into a significant recession in 2008 which has led to a weakening of the real estate market. There have been significant job losses, increased bankruptcies, and government bailouts crossing numerous business sectors. These economic conditions have negatively impacted all real estate sectors albeit with different degrees of severity. Due to the economic downturn and poor financial environment that have stressed the national, regional and local economies since mid-2008, office/commercial land values have decreased from the peak levels experienced in 2007 and 2008. Pricing seems to have stabilized in 2010 and 2011. Comparable 1 sold in 2011 whereas Comparable 2 sold in August 2010, both dates which reflect current market pricing; no market conditions adjustments were warranted.

Comparable 3 three sold in 2009 whereas Comparables 4 and 5 sold in 2006 under superior market conditions than currently exist. A market conditions adjustment of -10% was applied to the sale price of Comparable 3 to reflect declining market conditions from its sale date to the appraisal date. A market conditions adjustment of -20% was applied to the sale prices of Comparables 4 and 5 to reflect a greater decrease in prices from 2006 to the appraisal date. No adjustment was made to Comparable 6 which sold in 2003 as it was felt that any price increase that occurred from 2003 to 2008 was offset by subsequent price decline.

Locational & Physical Characteristics – The locational and physical attributes considered most pertinent for comparison of the comparable sales to the subject parcel were: overall location; site specific locational attributes such as corner/non-corner, access, exposure and water frontage/lake views; size; shape; topography; utilities availability; and, zoning/highest and best use.

The comparables were compared and contrasted with respect to each other as well as to the subject property. A summary of this comparison process is presented in an adjustment grid format on the following two pages. Comments regarding the concluded adjustments are provided on page 35.

Summary - A summary of the comparison analysis in an adjustment grid format is presented on the following two pages.

Land Sales Adjustment Grid

909 E. Michigan Street

| Comparable | Subject | CBD | | River Front | | Third Ward | |
|---|---|---|--|---|--|--|--|
| | | 1 | | 2 | | 3 | |
| Location | SWC N. Lincoln Memorial Dr & E. Michigan St | Marriott Hotel Assemblage, E. Wisconsin Ave & N. Milwaukee St | | SEC W. Juneau Ave & N. Old World 3rd St | | N. Broadway, Between E. St Paul & E. Buffalo | |
| Address | 909 E. Michigan Street | 319-327 E. Wisconsin & 627-631 N. Milwaukee | | 201 W. Juneau Avenue | | 330 N. Broadway & 331 N. Milwaukee Street | |
| Sale Date | 19-Dec-11 | Aug-11 | | Jun-10 | | Jun-09 | |
| Size | | | | | | | |
| Acres | 2.207 | 0.748 | | 1.282 | | 0.659 | |
| Sq. Ft. | 96,130 | 32,600 | | 55,844 | | 28,722 | |
| Sale Price | | \$3,700,000 | | \$2,275,000 | | \$1,693,300 | |
| Add. Demolition/Environmental Costs | | 500,000 | | 0 | | 0 | |
| Total Price | | \$4,200,000 | | \$2,275,000 | | \$1,693,300 | |
| | \$/Sq. Ft. | \$128.83 | | \$40.74 | | \$58.95 | |
| Property Rights Conveyed | | Similar | | \$275,000 (shared access) | | Similar | |
| Financing Terms | | Similar | | Similar | | Similar | |
| Conditions of Sale | | Similar | | Similar | | Similar | |
| | Adjusted Price | \$4,200,000 | | \$2,550,000 | | \$1,693,300 | |
| | \$/Sq. Ft. | \$128.83 | | \$45.66 | | \$58.95 | |
| Market Conditions | | | | | | | |
| # Years Since Sale | | 0.3 | | 1.5 | | 2.5 | |
| Market Conditions Adjustment Factor | | 1.00 | | 1.00 | | 0.90 | |
| Adjusted Sale Price | | \$4,200,000 | | \$2,550,000 | | \$1,523,970 | |
| Adjusted Price/Sq. Ft. | | \$128.83 | | \$45.66 | | \$53.06 | |
| Locational & Physical Attributes | | | | | | | |
| Overall Location | SWC N. Lincoln Memorial Dr & E. Michigan St | 319-327 E. Wisconsin & 627-631 N. Milwaukee | | SEC W. Juneau Ave & N. Old World 3rd St | | N. Broadway, Between E. St Paul & E. Buffalo | |
| Comparison | | Superior -25% | | Inferior 60% | | Inferior 40% | |
| <u>Site Specific Location</u> | | | | | | | |
| • Corner/Non-Corner | Corner | Non-Corner 5% | | Corner | | Interior (Dual Frontage) 5% | |
| • Access | Adequate | Adequate | | Adequate | | Adequate | |
| • Exposure | Good | Good | | Fair 5% | | Fair 5% | |
| • Water Frontage | Lake View | None 20% | | Milwaukee River 5% | | None 20% | |
| Comparison | | Inferior | | Inferior | | Inferior | |
| Size Similarity - Sq. Ft. | 96,130 | 32,600 | | 55,844 | | 28,722 | |
| Comparison | | Superior -15% | | Superior -10% | | Superior -15% | |
| Shape | Irregular Rectangle | Irregular Rectangular | | Mostly Rectangular | | Rectangular | |
| Comparison | | Similar | | Similar | | Similar | |
| Topography | Generally Level | Gentle Slope | | Generally Level | | Generally Level | |
| Comparison | | Similar | | Similar | | Similar | |
| Utilities | All Available | Similar | | Similar | | Similar | |
| Zoning/Highest & Best Use | PK Parks / Mixed Use, High Density | C9F(A) / Hotel, Office, Mixed Use | | RED / Commercial, Mixed Use | | C9B / Commercial, Mixed Use | |
| Comparison | | Similar | | Similar | | Similar | |
| Adjusted Price/Sq. Ft. | | \$109.51 -15% | | \$73.06 60% | | \$82.24 55% | |

Land Sales Adjustment Grid

909 E. Michigan Street

| Comparable | Subject | High Density Residential | | | |
|---|---|---------------------------------|------------------------------------|---------------------------------------|---|
| | | N. Water Street 4 | 5 | | 6 |
| Location | SWC N. Lincoln Memorial Dr & E. Michigan St | SEC N. Water St & E. Juneau Ave | Park Lafayette Parcel | Kilbourn Tower Parcel | |
| Address | 909 E. Michigan Street | 1124-1144 N. Water Street | 2000-2038 N Prospect Ave | 923 E. Kilbourn Ave | |
| Sale Date | 19-Dec-11 | Dec-06 | Apr-06 | Jul-03 | |
| Size | | | | | |
| Acres | 2.207 | 0.658 | 1.021 | 0.248 | |
| Sq. Ft. | 96,130 | 28,662 | 44,488 | 10,800 | |
| Sale Price | | \$2,200,000 | \$6,500,000 | \$700,000 | |
| Add: Demolition/Environmental Costs | | 0 | 0 | 0 | |
| Total Price | | \$2,200,000 | \$6,500,000 | \$700,000 | |
| | \$/Sq. Ft. | \$76.76 | \$146.11 | \$64.81 | |
| Property Rights Conveyed | | Similar | Similar | Similar | |
| Financing Terms | | Similar | Similar | Similar | |
| Conditions of Sale | | Similar | Similar | Similar | |
| | Adjusted Price | \$2,200,000 | \$6,500,000 | \$1,068,000 | |
| | \$/Sq. Ft. | \$76.76 | \$146.11 | \$98.89 | |
| Market Conditions | | | | | |
| # Years Since Sale | | 5.0 | 5.7 | 8.4 | |
| Market Conditions Adjustment Factor | | 0.80 | 0.80 | 1.00 | |
| Adjusted Sale Price | | \$1,760,000 | \$5,200,000 | \$1,068,000 | |
| Adjusted Price/Sq. Ft. | | \$61.41 | \$116.89 | \$98.89 | |
| Locational & Physical Attributes | | | | | |
| Overall Location | SWC N. Lincoln Memorial Dr & E. Michigan St | SEC N. Water St & E. Juneau Ave | Park Lafayette Parcel | Kilbourn Tower Parcel | |
| Comparison | | Inferior 60% | Inferior 15% | Inferior 15% | |
| Site Specific Location | | | | | |
| • Corner/Non-Corner | Corner | Corner | Corner | Corner | |
| • Access | Adequate | Adequate | Adequate | Adequate | |
| • Exposure | Good | Good | Good | Good | |
| • Water Frontage | Lake View | None 20% | Lake View | Lake View | |
| Comparison | | Inferior | Similar | Similar | |
| Size Similarity - Sq. Ft. | 96,130 | 28,662 | 44,488 | 10,800 | |
| Comparison | | Superior -15% | Superior -10% | Superior -15% | |
| Shape | Irregular Rectangle | Rectangular | Triangular | Irregular Rectangle | |
| Comparison | | Similar | Inferior 5% | Similar | |
| Topography | Generally Level | Generally Level | Sloping | Generally Level | |
| Comparison | | Similar | Inferior 5% | Similar | |
| Utilities | All Available | Similar | Similar | Similar | |
| Zoning/Highest & Best Use | PK Parks / Mixed Use, High Density | C9B / Commercial, Mixed Use | RM7 / MF Residential, High Density | C9A(A) / MF Residential, High Density | |
| Comparison | | Similar | Similar | Similar | |
| Adjusted Price/Sq. Ft. | | \$101.33 65% | \$134.42 15% | \$98.89 0% | |

| Sales Comparison Adjustment Analysis Comments | |
|---|---|
| Factor of Comparison | Adjustment Comparison Comments |
| Capital Expenditures Immediately Upon Sale | Other than Comparable 1, the other comparables sold as unimproved land and did not require any adjustments with respect to demolition; furthermore, no adjustments for environmental contamination were necessary. Comparable 1 was improved with various improvements and therefore the sale price was adjusted upward for the estimated \$500,000 in demolition costs that the buyer/developer must incur. |
| Property Rights Conveyed | Comparable 2 has two separate parcels associated with the sale; the larger of the two parcels along the Milwaukee River shares its access point along N. Old World Third Street with the abutting Riverfront Plaza building to the south. The shared access area (±12,158 square feet) lies entirely within this comparable's land area. The shared access area has a contributory value of 50% of its underlying land area and applying this factor to the shared access area results in an indicated upward adjustment of +12% or \$275,000. The adjusted price reflects the price for this parcel as if there is no shared access drive area. The other comparables did not require any adjustments with respect to property rights conveyed. |
| Financing Terms | No adjustments were made for financing. |
| Conditions of Sale | No adjustments were made for conditions of sale. |
| Market Conditions | Comparable 1 sold in 2011 whereas Comparable 2 sold in August 2010, both dates which reflect current market pricing; no market conditions adjustments were warranted. Comparable 3 three sold in 2009 whereas Comparables 4 and 5 sold in 2006 under superior market conditions than currently exist. A market conditions adjustment of -10% was applied to the sale price of Comparable 3 to reflect declining market conditions from its sale date to the appraisal date. A market conditions adjustment of -20% was applied to the sale prices of Comparables 4 and 5 to reflect a greater decrease in prices from 2006 to the appraisal date. No adjustment was made to Comparable 6 which sold in 2003 as it was felt that any price increase that occurred from 2003 to 2008 was offset by subsequent price decline. |
| Overall Location | Comparable 1 has a superior location in the heart of the CBD; a downward adjustment was necessary. The other comparables have inferior locations relative to Comparable 1 and the subject property and their sale prices required upward adjustment, but to differing degrees. |
| Site Specific Location Characteristics | Comparables 1 and 3 have non-corner locations, are inferior to the subject property and upward adjustments were made. All the comparables have adequate accessibility as does the subject property; no adjustments were necessary. Comparable 2 has a non-contiguous parcel making it inferior to the subject property whereas Comparable 3 is divided by a public alley but does have frontage on two streets in the Third Ward; upward price adjustments were required for the inferior overall exposure. A building on the subject property will have Lake Michigan and lake front views; Comparables 5 and 6 also have lake views and were included in this analysis for this reason; the other comparables do not have lake views and are inferior to the subject property; Comparable 2 is located along the Milwaukee River which is a valuable amenity making it less inferior relative to the comparables that have no water frontage. |
| Size | At 96,130 square feet, the subject property is larger than all of the comparables. Being smaller in size, the comparables were considered superior to the subject property and downward price adjustments were warranted. |
| Shape | The subject property has an irregular rectangular shape conducive to development. Comparable 1 has a slightly irregular shape as the assembled parcel does not include the corner parcel but not irregular enough to warrant adjustment. Comparable 5 has a triangular shape and as such is inferior to the subject property and an upward adjustment was made. No adjustments were necessary for the other comparables. |
| Topography | Comparable 5 has a sloping topography making it inferior to the subject property and a slight upward adjustment was made. No adjustments were warranted for the other comparables. |
| Utilities | All municipal utilities are available to the subject property and the comparables; no adjustments were made. |
| Zoning/Highest and Best Use | No adjustments were required. |

Indicated Value

Because of the nature of the adjustments, the adjusted per-square foot price for each sale is not to be interpreted as the value of the subject property but part of a range within which the subject's value is expected to fall. The comparables have adjusted sale prices per square foot ranging from \$73.06 to \$134.42; the average and median adjusted sale price per square foot are \$99.91 and \$100.11, respectively. The adjusted indicated value range is wider than desired but demonstrates the imperfect nature of the real estate markets, especially for developmental land parcels.

The value of the subject parcel as if vacant is concluded at \$100.00 per square foot or a total value of \$9,600,000. In order to create a vacant parcel available for development, the existing improvements must be demolished. Demolition costs of \$700,000 have been estimated using Marshall Valuation Service, an appraisal industry standard for estimating construction costs. As previously stated, this appraisal has been made under the extraordinary assumption that the demolition costs are as estimated and furthermore, that no public subsidies are available to pay these costs. If at a later date information is provided that proves this assumption to be incorrect, the value of the subject property will change and I reserve the right to revisit the appraisal analysis and amend my value opinion.

The as-is market value of the subject parcel is as calculated below:

| Value Calculation | |
|-------------------------------|-------------|
| Concluded Value per Sq. Ft. | \$100.00 |
| Parcel Size, Sq. Ft. | x 96,130 |
| Indicated Value, As-If Vacant | \$9,613,000 |
| | Rounded |
| | \$9,600,000 |
| Less: Demolition Cost (Est.) | - \$700,000 |
| Indicated Market Value | \$8,900,000 |

Correlation & Conclusion

Three approaches to value have been considered in arriving at an opinion of the value of the fee simple estate in the subject properties. In the valuation of land, the Sales Comparison Approach is generally considered the most reliable approach provided that there are a sufficient number of sales. The Sales Comparison Approach was used in this appraisal.

In the reconciliation of the three approaches to value, the quantity and quality of the data under each approach was considered as was the advantages and/or disadvantages of each approach and the relevance of each to the subject property and appraisal problem.

The Sales Comparison Approach is the most direct approach to value. Because the comparable sales represent theoretical acquisition alternatives, an analysis of comparable property sales provide a reliable indication of value. The comparable sales provided market support for an indicated value range of the subject parcel as if vacant. The adjustments to these sales were reasonable and were substantiated with market evidence and logical rationale. Demolition costs were estimated using an appraisal industry standard for estimating construction costs and were deducted resulting in an indicated as-is market value. The resulting concluded value by the Sales Comparison Approach was considered very reliable.

Based on the investigations and appraisal analyses as presented, it is my opinion that the market values of the subject property as of December 19, 2011 is:

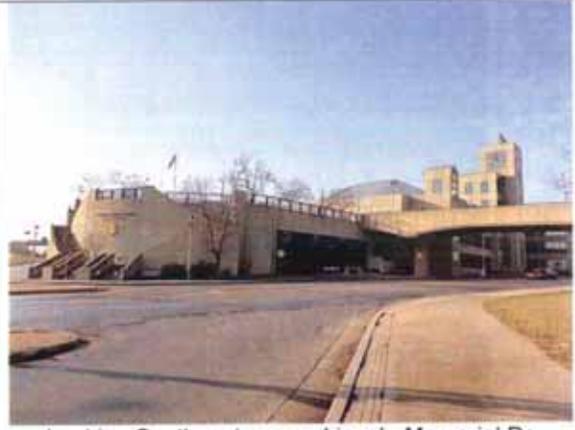
Eight Million Nine Hundred Thousand Dollars
\$8,900,000

EXHIBIT A
Subject Property Photographs & Information

Subject Photographs (12/19/11)



East Elevation, Looking West across Lincoln Memorial



Looking Southeast across Lincoln Memorial Dr.



South Elevation, Looking East along E. Clybourn



Looking Northwest across Lincoln Memorial Dr.



Looking Northerly along Lincoln Memorial Dr.



First Floor Common Area

Subject Photographs (12/19/11)



First Floor Common Area



Escalators to Second Floor



Bus Marshalling Area



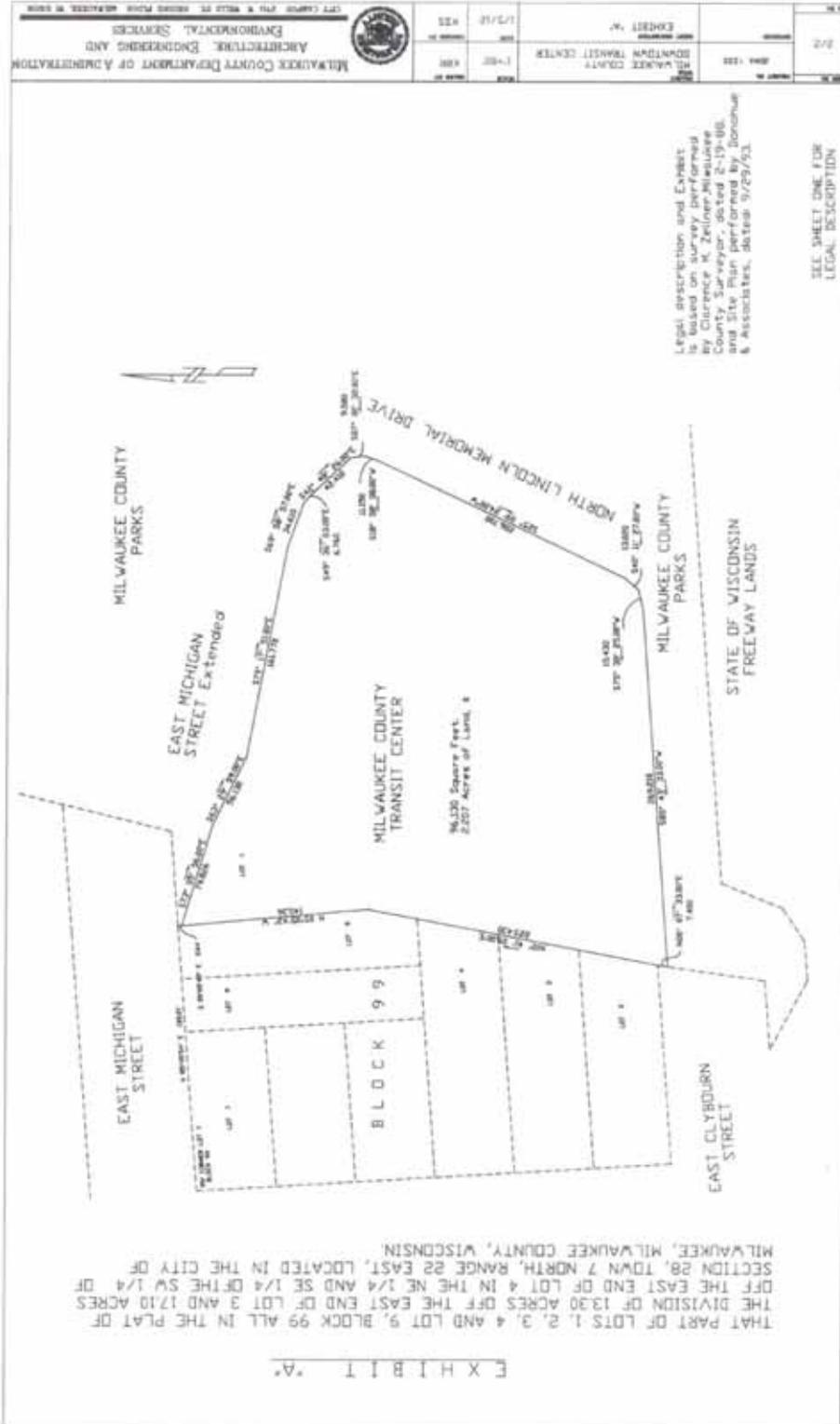
Second Floor Common Area



Harbor Lights Room



Second Level Terrace, Looking Southeasterly







Asset Detail Report
by Asset Name

Property: MCTS
Site: Downtown Transit Station*

Asset Name: Transit Waiting Station
Asset Number: 0176

STATISTICS

| | | | |
|---------------------------|---------|------|------|
| FCI Cost: | 503,895 | FCI: | 0.03 |
| Total Requirements Cost : | 503,895 | RI: | 0.03 |

| | | | |
|---------------------------|--------------|-----------------------|----------------------------------|
| Current Replacement Value | 14,457,477 | Address 1 | 909 E Michigan Street |
| Size | 111,460 SF | Address 2 | - |
| Year Constructed | 1992 | City | MILWAUKEE |
| Year Renovated | 0 | State/Province/Region | WI |
| Commission Date | - | Zip/Postal Code | - |
| Decommission Date | - | Architect | - |
| Ownership | Client Owned | Historical Category | - |
| Floors | 2 | Construction Type | WAC 3 FR Metal Frame - Protected |
| Type | Building | Use | Transit Waiting Station |

PHOTO

ASSET DESCRIPTION

ARCHITECTURAL

The Milwaukee County Transit System Downtown Complex is located in the City of Milwaukee, Wisconsin at 909 E Michigan Street. The facility includes a bus waiting station and a bus marshalling structure. Generally, the portion of the site that is within ten feet of a building's perimeter such as walks, fencing, retaining walls, loading dock pavement etc. is considered in the domain of that particular building. Corresponding deficiencies and corrections are then assigned to the building. The scope of work included the building.

The Transit Waiting Station is an 111,460 square foot, two-story facility without a basement. The multiple use facility includes a bus waiting station with conference/meeting room and support facilities and a bus marshalling structure.

Bus Waiting Station

The first floor contains the station waiting area with the elevator/escalator machine rooms, a security office with staff restrooms, vending area, janitors closet, public male and female restrooms. The main meeting/conference room with a coatroom and storage rooms, unisex restroom, male and female restrooms, a meeting room and kitchen are featured on the second floor. A tower extends over a portion of the second floor facing E Michigan Street that contains a clock room. The mechanical space is located at a mezzanine level and in a penthouse above the second level. The second floor corridor passes along a floor opening that is open to the waiting area below. The second floor accesses a landscaped plaza that is above the bus marshalling structure. The plaza is connected to the Miller Pavilion by a bridge over E Michigan Street.

Bus Marshalling Structure

The open bay structure with a mechanical room serves as a facility for buses to stand prior to starting scheduled runs. The buses enter the facility from N Lincoln Memorial Drive and exit to E Michigan Street. The buses load and unload passengers at the station prior to exiting along a paved, covered service road located between the station and marshalling structure.

Per the Wisconsin Administrative Code, Comm. Section 54 and 59, the transit waiting station is classified under Office and Hazardous Occupancies. The Wisconsin Administrative Code, Comm. Section 51.03, the waiting station is a construction class 3 or Metal Frame-Protected and the marshalling station is a type 5A or Exterior Masonry-Protected as determined from field observations and as built drawings.

All costs in USD.



Asset Detail Report

by Asset Name

Building Exterior

Bus Waiting Station

The building facade is pre-cast concrete panels with aluminum framed, insulating glass windows. Within the face of the tower glass block windows is a time clock. The facility has primarily a sloped standing seam metal panel roof except on the flat roof outside of the mechanical penthouse that is a built up roof. The exterior wall of the penthouse is standing seam metal panels. The clock tower roof has a wood sheathed deck.

The exterior doors are double swing, insulating glass doors with transoms and sidelights and aluminum frames and full metal full panel doors set in metal frames. In addition, the waiting areas have sliding glass doors with automatic operators.

Bus Marshalling Structure

The windowless facility has pre-cast concrete panels with automatic overhead and full metal full panel doors set in metal frames. The roof of the plaza is landscaped with a brick paved surface. The deck was not inspected due to a deep snow cover, but no leaks were observed from below and reported leaks to maintenance personnel were not indicated.

Building Interior

Bus Waiting Station

The station waiting area and second floor corridor above have painted gypsum board walls with a quarry tile wainscot, quarry tile floors, and a painted gypsum board ceiling. The second floor interior corridor has painted gypsum board walls, quarry tile floors, and a 2 x 2 suspended acoustical tile ceiling. Numerous display cases line the corridor on the second floor. Carpet, a 2 x 2 suspended acoustical tile ceiling with painted gypsum board soffit, and wall covering above a wood panel wainscot are the featured finishes within the second floor meeting room. The restroom finishes are suspended acoustical tile ceilings and ceramic tile floors and walls. Other spaces have painted gypsum board walls, vinyl composition tile floors and acoustical tile ceilings. The interior doors are metal or wood doors set in metal frames with lever type hardware. The interior vestibule doors are double swing, glass doors, sidelights and transoms with aluminum frames.

Bus Marshalling Structure

The marshalling area is unfinished except for the sealed concrete deck with parking space striping.

Structure

The foundation is comprised of perimeter concrete grade beams and piles supporting the steel superstructure. The interior columns are supported on the piles and the pile cap. The floor structure is a five-inch reinforced concrete slab on grade. The superstructure features steel beams, joists and columns supporting the metal roofs and the mezzanine, second floor and penthouse concrete floors. This narrative is based on field observations and as built drawings.

Bus Marshalling

The foundation is comprised of concrete grade beams and piles supporting the exterior columns and wall panels. The interior columns are supported on the piles and the pile cap. The floor structure is an eight-inch reinforced concrete slab on grade. The pre-cast concrete superstructure features girders, beams and columns supporting the plaza deck above. A four-inch concrete topping over eight-inch pre-cast concrete planks is the plaza deck structure. This narrative is based on field observations and as built drawings.

Vertical Transportation

The building has one passenger elevator that services the first, second and mechanical penthouse floors. The other passenger elevator connects the first, mezzanine and second floors. Two enclosed exit stairs connect the first and second floors. An interior stair with an escalator on each side connects the first floor waiting with the second level. The plaza has concrete stairs that connect to street level. Two end at N Lincoln Memorial Drive and the other at the N Lincoln Memorial Drive and E Michigan Street intersection. Lastly, the bridge across E Michigan Street accesses concrete steps to ground level.

Handicapped Accessibility

All costs in USD.



Asset Detail Report

by Asset Name

The Mill Road Complex's compliance with handicapped accessibility was evaluated utilizing Wisconsin Administrative Code, Comm. Section 69 and ADAAG. The building has accessible entrances and exits, elevators, lever door hardware, curb ramps, and public restrooms. The facility lacks compliant Braille permanent room signs, first floor staff restrooms and the addition of a three-foot stall in the public male and female restrooms on the second level. This is required as the number of water closets exceeds six.

Hazardous Materials

Considering the 1990 construction date, asbestos and lead paint containing materials should not be present.

HVAC

Heat is primarily provided by five gas-fired hydronic boilers. Four are 468 MBh (in two banks of two boilers feeding a common header) and one is a newer 1900 MBh hydronic boiler. Wall mounted cabinets heaters are located in the restrooms and stairwells and at some of the first floor exits. Two air handling units handle the first and second floors respectively. The air handlers are provided with 100 % outside air.

It appears that one of the pipes in the main mechanical room is mislabeled as heating return water when it is likely this pipe contains heated water supply. The pipe originates from the new 1900 MBh Thermifac boiler. An adjacent pipe that leads into the same header is labeled hot water supply. No complaints were reported concerning the heating system that would indicate the system is being short circuited.

Air Handler One has had its return air fan disconnected and removed to alleviate an under pressurization problem that was drawing in polluted air from the busses. Exhaust soot was introduced into the building that cause spill out into all orifices including lighting fixtures, diffusers, and sprinkler heads. The introduction of more air into the facility necessitated the addition of the extra 1900 MBh boiler. Pressure is reportedly maintained at .5 inches static resulting in positive pressurization. The air handling system was reportedly cleaned and balanced at that time. Boilers, boiler peripherals, pumps, piping, and air handlers were observed to be in good condition.

A glycol heat recovery system is located in the mechanical room. Two 2.7 horsepower pumps, pump glycol to a heat exchanger. Two 2.0 horsepower pumps, pump water to the heat exchanger, and to the air handling units. The return pumps are .75 horsepower and are in good condition. No costs are anticipated.

Cooling is provided by an estimated 200-ton liquid chiller with R22 refrigerant. One of the compressors is reportedly not operational and will need replacement. Pairs of 5 horsepower pumps, pump water to a cooling tower. Snow cover prevented a more detailed look at the tower (and exhaust fans) on the roof but no corrosion spots or evidence of past leakage were observed.

Building controls consist of pneumatically powered and electrically actuated points. The air compressor is in good condition and no repairs or replacement costs are shown. A Robert Shaw DMS 350 Digital Energy management controls system is provided along with air handling unit timers. Rooftop mushroom type exhaust fans, that were observed to be in good condition, primarily provide building and restroom ventilation. Three-blade paddle fans dispersed in the waiting area provide additional air movement.

The bus marshalling area contains two large exhaust units. Although these units reportedly were installed when the building was built in 1991-2, they appear older. This may be caused by an apparent lack of preventative maintenance and cleaning. In addition, the type of air that is being drawn into them (dirty and full of soot and corrosive particulate from the diesel exhaust) may account for their effective age. Air from the marshalling area passes through wall vents located in the air handling room. There are no filters on the floor level intake vents.

One of the air handlers has had its 15 horsepower motor replaced. The fan wheel and blades are dirty, the shaft shows signs of corrosion, and the structural components (bolts, nuts and supports) are beginning to rust. These units can expect a shortened expected useful life. The air is then exhausted through vents located on the side of the building. Supply air is provided by large in line fans located on the opposite wall.

There is a kitchen located on the second floor of the transit center. A mechanical refrigeration unit is located there. The compressor and air handler is located on the top of the unit. Both appear to be in good condition and no costs are shown for repairs or replacements.

Following this Building Summary in section D is a mechanical and electrical equipment summary, HVAC testing results and preventive maintenance recommendations for the equipment as prepared by Michael's Engineering and Michael's Fluid Balancing.

ELEVATORS

All costs in USD.



Asset Detail Report
by Asset Name

Two hydraulic elevators are located in the transit building. Both appear to be in good operating condition. No costs are shown for repairs or replacements.

PLUMBING

Domestic water is supplied from the city via a 3-inch domestic water main. For the most part, horizontal piping is run overhead with concealed drop legs in the walls. A pair of 119-gallon and a single 50-gallon electric resistance hot water heater provide domestic hot water. The domestic hot water heaters were observed to be in good condition. Site staff reported no problems with the domestic water-piping infrastructure.

Public and staff restroom fixtures throughout the building, in general, are in good condition. Typical restrooms consist of wall-mounted toilets, wall mounted and drop in counter mounted sinks with the men's public restrooms containing floor-mounted urinals.

Janitor utility sinks are located on each floor and are equipped with vacuum breakers.

A backflow-protected irrigation system, with reportedly 24 zones, is located in Air Handler One mechanical room. It contains a 5 horsepower boost pump and 60-PSI pressure tank. Both are in good condition.

The building is served by pairs of wall-mounted refrigerated drinking fountains on each floor adjacent to the public restrooms. The drinking fountains were observed to be in good condition.

The storm and sanitary systems are gravity return to the site main. Visible piping within the building consists of 4-inch cast iron piping. The systems appeared to be in good condition with no reported problems.

FIRE PROTECTION

The transit building waiting areas and second floor conference areas are protected by a sprinkler system. A single check backflow prevention was present on the sprinkler line. Table 82.41 (Comm. 82.41 page 60) requires this to be a double check assembly. The sprinkler main is complete with an alarmed flow station and tamper switches on valves. The internal sprinkler head distribution appears to be consistent with the space use and wall configurations.

ELECTRICAL

Service and Power Distribution:

Power is supplied to the building by a pad mounted transformer located on the east side of the facility by Wisconsin Electric Power Company to a 277/480 volt, 3 phase, 4 wire, 1200 amp main switchboard located in the mezzanine storage room. This service equipment feeds the remaining panels, motor control centers, disconnect switches, and transformers located in storage/electrical closets and on corridor walls throughout the facility.

Emergency Lighting and Power:

This building has no emergency generator for the facility. However, emergency battery packs for lighting are located in the facility. The battery packs appear to be mainly in the corridor areas and with some lighting in selected areas throughout the facility. Lighted exit signs are used, in most cases, along paths of egress.

Lighting Systems:

The facility uses 2x4 recessed fixtures with parabolic lenses, and 1x4 recessed fixtures with prismatic lenses, pendant industrials, compact fluorescent PL fixtures, and a small number of incandescent or industrial fixtures mostly in service areas and closets. In the bus garage area HID (Metal Halide) fixtures are implemented. Area lighting around the building consists of bollard and Harp lighting by the City of Milwaukee.

Fire Alarm Equipment:

The fire alarm control panel is an Edwards Fire Alarm system that is a coded system. The main fire alarm panel is located within the central command center. The panel is connected to an outside monitoring location. On site staff did not know the name of the monitoring company. The system devices include manual pull stations, smoke and heat detectors, and horn/light devices. Replacement of an addressable system is recommended. Additional strobes are needed in the ballroom, rest rooms and conference room areas. Alarm lights are not ADA compliant strobes.

All costs in USD.



Full Report

Property Location : 909 E Michigan ST

View: Full Report View
[Report Options](#)
[Print Report](#)
[Search Criteria](#)
[Search Results](#)
[Modify Search](#)

Owner :
Milwaukee County
Frwy Active
Lands Hwy
901 N 9TH ST
Milwaukee, WI 53233-1425

Taxed by: City Of Milwaukee
Taxkey # 3921678121
Owner Occupied:
Property Address :
909 E Michigan ST **MY!**
Milwaukee, WI 53202-5606

[ID Walk Down](#) [ID Walk Up](#)

Record 1 of 1 selected records

Assessments

| Assessment Year | Property Class | Land Assessment | Improvement Assessment | Total Assessment | Percent Of Change | Acres | Ratio |
|-----------------|------------------------------|-----------------|------------------------|------------------|-------------------|-------|-------------|
| 2011 | Exempt | | | | 0.000 - | 7.025 | 1.004732798 |
| 2010 | Exempt | | | | 0.000 - | 7.025 | 0.956617820 |
| 2009 | Exempt | | | | 0.000 - | 3.512 | 0.928238797 |
| 2008 | Exempt | | | | 0.000 - | 3.512 | 0.952117558 |
| 2007 | Exempt | | | | 0.000 - | 3.512 | 0.923125025 |
| 2006 | Exempt | | | | -100.000 ↓ | | 0.944689302 |
| 2005 | | \$ 248,000 | \$ 9,752,000 | \$ 10,000,000 | 0.000 - | | 0.960163730 |
| 2004 | County (Housing)(MetroSewer) | \$ 248,000 | \$ 9,752,000 | \$ 10,000,000 | 0.000 - | | 0.968432436 |
| 2003 | County (Housing)(MetroSewer) | \$ 248,000 | \$ 9,752,000 | \$ 10,000,000 | 0.000 - | | 0.970726965 |

Taxes

| Tax Year | Total Tax | First Dollar | Lottery Credit | Net Tax | Special Taxes | Special Assessment | Special Charges | Full Pay Amount |
|----------|-----------|--------------|----------------|---------|---------------|--------------------|-----------------|-----------------|
| 2010 | | | | | | | | |
| 2009 | | | | | | | | |
| 2008 | | | | | | | | |
| 2007 | | | | | | | | |
| 2006 | | | | | | | | |
| 2005 | | | | | | | | |
| 2004 | | | | | | | | |
| 2003 | | | | | | | | |
| 2002 | | | | | | | | |

Assessor

| | | |
|--|-------------------------------|---|
| Building Square Feet : | Year Built : | Township : 7N |
| Bedrooms : | Year Remodeled : | Range : 22E |
| Full Baths : | Effective Year Built : | Section : 28 |
| Half Baths : | Air Conditioning : | Quarter : |
| Total Rooms : | Fireplace : | Pool : |
| Number of Stories : | Number of Units : | Attic : |
| Building Type : | | Basement : |
| Exterior Wall : | | Heat : |
| Exterior Condition : | | Garage : |
| Land Use : 9199 General Government | | School District : 3619 Milwaukee School District |
| Zoning : PK Parks-Special Districts And Overlay Zones | | Historic Designation : |
| Census Tract : 153.00 | | |

Legal Description

Plat Page 39603 Neighborhood 6460 Division Of 13.30 Acres In SW 1/4 Sec 28-7-22 Block 99 Part Of (lots 1 Thru 4 & Lot 9 & Filled Lands Adj On E) All Lying Betw N Li (e Clybourn ST & E Clybourn ST Ext'd E) On The S & W Li Lake Freeway On The E & S Li (e Michigan ST & E Michigan ST Ext'd E) On The N & (e Li SD Lot 1 & A Li 10' Wly Of As Meas Normal To A Ref Li Extending From SW Cor SD Lot 1 To A PT On S Li & 150' E Of SW Cor Of Lot 2) On The W Bid # 21

Sales

MILWAUKEE COUNTY DOWNTOWN TRANSIT CENTER
LEGAL DESCRIPTION
Of

That part of part of Lots 1, 2, 3, 4 and Lot 9, Block 99 all in the Plat of the Division of 13.30 acres off the east end of Lot 3 and 17.10 acres of the east end of Lot 4 in the NE ¼ and the SE ¼ of the SW ¼ of Section 28, Town 7 North, Range 22 East, Located the City of Milwaukee, Milwaukee County, Wisconsin and more particularly described as follows:

Beginning at a point that that is N 85°45'54" E 199.97 feet of the Northwest corner of Lot 7 in Block 99 in the Plat of the Division of 13.30 acres off the east end of Lot 3 and 17.10 acres of the east end of Lot 4, on the south right of way line of East Michigan Street;
thence S 05°05'43" E 2.64 feet;
thence S 73°05'56" E 79.83 feet;
thence S 63°29'59" E 56.13 feet;
thence S 79°17'51" E 161.77 feet;
thence S 69°58'57" E 34.61 feet;
thence S 49°36'03" E 6.76 feet;
thence S 42° 48'26" E 42.41 feet;
thence S 07°00'32" E 9.58 feet;
thence S 18°38'08" W 11.15 feet;
thence S 25°09'24" W along the westerly edge of a concrete walk for N. Lincoln Memorial Drive, 206.70 feet;
thence S 40°11'27" W 13.02 feet;
thence S 75°30'25" W 15.43 feet to a point on the northerly edge of a concrete walk for E. Clybourn Street extended easterly;
thence S 85°43'33" W along the north edge of the concrete walk, 269.21 feet;
thence N 8°07'33" E 7.40 feet to the north right of way line of East Clybourn Street;
thence N 10°41'09" E 223.43 feet;
thence N 05°05'43" W 140.36 feet; to the point of beginning

Containing 2.207 acres of land, more or less.
96,130 square feet.

This instrument was drafted by:
Kenneth R. Reesman, R.L.S. 1351
Dated: January 5, 2012
Department of Administrative Services
Environmental & Engineering Section
Site Development Division

EXHIBIT B
Comparable Land Sales Information

Land Sale No. 1

Property Identification

| | |
|---------------|--|
| Record ID | 1035 |
| Property Type | Land, Commercial Land |
| Property Name | Marriott Hotel Parcel Assemblage |
| Address | 319-327 E. Wisconsin Avenue & 627-631 N. Milwaukee Street, Milwaukee, Milwaukee County, Wisconsin |
| Location | Milwaukee CBD |
| Tax ID | 392-0735, -0734, -0736, -0737-6 |
| MSA | Milwaukee |
| Market Type | Urban |

Sale Data

| | |
|--------------------|---|
| Grantor | 1) MBI Properties LLC; 2) Milwaukee NOWI LLC |
| Grantee | 1) Jackson Street Management LLC; 2) Wisconsin & Milwaukee Hotel LLC |
| Sale Date | August, 2011 (2 deeds) |
| Deed Book/Page | #10030113 & -114 |
| Property Rights | Fee simple |
| Conditions of Sale | Arm's length |
| Financing | Cash to seller |
| Sale Price | \$3,700,000 (\$2,300,000 + \$1,400,000) |
| Cash Equivalent | \$3,700,000 |
| Upward Adjustment | \$500,000 Demolition |
| Adjusted Price | \$4,200,000 |

Land Data

| | |
|------------|--------------------------------------|
| Zoning | C9F(A), Office & Service, Commercial |
| Topography | Slight Slope |
| Utilities | All available |
| Shape | Irregular, Rectangular |
| Flood Info | Not in floodplain |

Land Size Information

| | |
|-------------------|--|
| Gross Land Size | 0.748 Acres or 32,600 SF |
| Useable Land Size | 0.748 Acres or 32,600 SF , 100.00% |
| Front Footage | E. Wisconsin Avenue; N. Milwaukee Street |

Indicators

| | |
|---------------------|--------------------------------------|
| Sale Price/Gross SF | \$113.50 Actual or \$128.83 Adjusted |
|---------------------|--------------------------------------|

Land Sale No. 1, continued**Remarks**

This is the assemblage of four parcels in two transactions for the construction of a 200 unit, 9-story full service Marriott Hotel at the southwest corner of E. Wisconsin Avenue and N. Milwaukee Street, however, the assembled parcel excludes the small corner parcel that is improved with a historic office building at 329 E. Wisconsin Avenue. The transaction occurred on August 31, 2011 after receiving development approvals from the city; the project was first publically announced in 2010. There had been controversy regarding the demolition of 19th century historic buildings and it was agreed with the City that the facades of the E. Wisconsin Avenue buildings will not be demolished; the N. Milwaukee Street buildings will be demolished. The total sale price was \$3,700,000 (\$2,300,000 for the E. Wisconsin Avenue buildings+ \$1,400,000 for the N. Milwaukee Street buildings). The sale price is equal to \$113.50 per square foot of land area. Adding estimated demolition costs of \$500,000 results in an adjusted price of \$4,200,000 or \$128.83 per square foot of land area. The \$54 million hotel project will not include any public subsidies. The 9-story structure will include a restaurant, bar and underground parking for ±50 cars and will take 1.5- to 2-years to complete.

Land Sale No. 2

Property Identification

| | |
|---------------|--|
| Record ID | 879 |
| Property Type | Land, Parking Lot |
| Address | 201 W. Juneau Avenue, Milwaukee, Milwaukee County, Wisconsin |
| Location | SEC W. Juneau Ave & N. Old World 3rd Street |
| Tax ID | 361-0412-114-9 |

Sale Data

| | |
|--------------------|-----------------------------|
| Grantor | RFP Parking LLC |
| Grantee | Milwaukee River Hotel-P LLC |
| Sale Date | June, 2010 |
| Deed Book/Page | Doc # 09886982 |
| Property Rights | Fee Simple |
| Conditions of Sale | Arm's Length |

| | |
|-------------------|-------------------------|
| Sale Price | \$2,275,000 |
| Upward Adjustment | \$275,000 Shared Access |
| Adjusted Price | \$2,550,000 |

Land Data

| | |
|------------|-----------------|
| Zoning | RED |
| Topography | Generally Level |
| Utilities | All to Site |
| Shape | Rectangular |

Land Size Information

| | |
|-----------------|--------------------------|
| Gross Land Size | 1.282 Acres or 55,844 SF |
|-----------------|--------------------------|

Indicators

| | |
|---------------------|------------------------------------|
| Sale Price/Gross SF | \$40.74 Actual or \$45.66 Adjusted |
|---------------------|------------------------------------|

Remarks

This is the June 2010 sale of ±55,844 total square feet of land located along N. Old World Third Street, just south of W. Juneau Avenue. The sale involved the transfer of two non-contiguous parcels: 1) a ±48,344 square foot parcel on the west bank of the Milwaukee River at the southeast corner of N. Old World Third Street and W. Juneau Avenue and, 2) a ±7,500 square foot parcel located on the west side of N. Old World Third Street, south of W. Juneau Avenue. The sale price in this transaction was \$2,275,000 or \$40.74 per square foot. The larger of the two parcels along the Milwaukee River shares its access point along N. Old World Third Street with the abutting Riverfront Plaza building to the south. The shared access area (±12,158 square feet) lies entirely within this comparable's land area. The shared access area has a contributory value of 50% of its underlying land area and applying this factor to the shared access area results in an indicated upward adjustment of +12% or \$275,000. The adjusted price reflects the price for this parcel as if there is no shared access drive area.

The adjusted sale price in this transaction is \$2,550,000 or \$45.66 per square foot. The development plans for these parcels are unclear. The buyer in this transaction is a Milwaukee-based hotel developer and was involved in the development of the Aloft Hotel, located just north of this property. The seller in this transaction acquired this property in June 2007, indicating a decline in sale price (2010 vs. 2007) of approximately -7.1%.

Land Sale No. 3

Property Identification

| | |
|---------------|---|
| Record ID | 762 |
| Property Type | Land, Commercial Land |
| Address | 330 N. Broadway & 331 N. Milwaukee Street, Milwaukee, Milwaukee County, Wisconsin |
| Location | N. Broadway, Between E. Buffalo Street & E. St. Paul Avenue |
| Tax ID | 3960351000 & 3960352000 |
| MSA | Milwaukee |
| Market Type | Third Ward |

Sale Data

| | |
|--------------------|-------------------|
| Grantor | Broadway Partners |
| Grantee | DJ-RJ LLC |
| Sale Date | June, 2009 |
| Deed Book/Page | Doc # 09753057 |
| Property Rights | Fee Simple |
| Conditions of Sale | Arm's Length |
| Financing | Cash to Seller |

Sale Price \$1,693,300

Land Data

| | |
|------------|-----------------------|
| Zoning | C9G, Mixed Activity |
| Topography | Generally Level |
| Utilities | All to Site |
| Shape | Generally Rectangular |

Land Size Information

Gross Land Size 0.659 Acres or 28,722 SF

Indicators

Sale Price/Gross SF \$58.95

Remarks

This marks the sale of two adjacent parcels totaling 28,722 square feet located at 330 N. Broadway and 331 N. Milwaukee Street in the City of Milwaukee's Historic Third Ward. The sale took place in one transaction in June 2009 for a price of \$1,693,300 or \$58.95 per square foot. The parcels have a desirable location on the north side of the Third Ward, south of E. St Paul Avenue, north of E. Buffalo Street, east of N. Broadway, and west of N. Milwaukee Street. Being located in the middle of the block, the parcels have frontage on both N. Broadway and N. Milwaukee Street. This parcel represents one of a few remaining vacant land parcels available for development in the Third Ward. . In 2006, the seller had proposed an 18-story building featuring a 150 room hotel, upscale health club, 30 condominiums and parking structure failed to get financing. The current buyer is holding for future development.

Land Sale No. 4

Property Identification

| | |
|---------------|--|
| Record ID | 478 |
| Property Type | Land, Commercial Land |
| Address | 1124-44 N. Water Street & 209-233 E. Juneau Avenue, Milwaukee, Milwaukee County, Wisconsin |
| Location | SEC of N. Water & E. Juneau Ave |
| Tax ID | 392-2571, 392-2561-006, et al |
| MSA | Milwaukee |
| Market Type | Downtown |

Sale Data

| | |
|--------------------|-------------------------------|
| Grantor | Market Street Partners II LLP |
| Grantee | DOC Milwaukee LP |
| Sale Date | December, 2006 |
| Deed Book/Page | Doc# 9351429 |
| Property Rights | Fee simple |
| Conditions of Sale | Arm's length |
| Financing | Cash to seller |
| Sale Price | \$2,200,000 |

Land Data

| | |
|------------|-----------------|
| Zoning | C9B |
| Topography | Generally level |
| Utilities | All to site |
| Shape | Rectangular |

Land Size Information

| | |
|-----------------|--------------------------|
| Gross Land Size | 0.658 Acres or 28,662 SF |
|-----------------|--------------------------|

Indicators

| | |
|---------------------|---------|
| Sale Price/Gross SF | \$76.76 |
|---------------------|---------|

Remarks

This property ±28,662 square foot parcel sold in December, 2007 for a total sale price of \$2,200,000 or \$76.76 per square foot. This property has an excellent location at the southeast corner of N. Water Street and E. Juneau Avenue, just east of the Milwaukee River. The buyer, Development Opportunity Corporation is planning on building a \$33 million mixed-use building that would include a 128-room Staybridge Suites extended stay hotel; 31 condominiums; 14,000 square feet of retail space on the first floor; and two floors of parking. Also, the roof area will be utilized as green space in the form of a rooftop garden. As of October, 2007, construction had already begun with a target finish date in spring, 2008. The transfer included 5 city-owned parcels totaling ±9,200 square feet that were at the corner of the two fronting streets as well as a north-south alley accessible via E. Juneau, just east of N. Water. This area will no longer be an alley as the building will be sited in this area.

Land Sale No. 5

Property Identification

| | |
|---------------|---|
| Record ID | 289 |
| Property Type | Land, Multi-Family Land |
| Property Name | Park Lafayette Parcel |
| Address | 2000-2038 N. Prospect Avenue, Milwaukee, Milwaukee County, Wisconsin |
| Location | NEC N. Prospect Ave & E. Lafayette Pl |
| Tax ID | 3560246000, 3560247000, 3560243100 |
| MSA | Milwaukee |
| Market Type | East Side |

Sale Data

| | |
|--------------------|--------------------------|
| Grantor | Sik Kin Wu |
| Grantee | Renaissant Lafayette LLC |
| Sale Date | April, 2006 |
| Property Rights | Fee Simple |
| Conditions of Sale | Arm's Length |
| Financing | Cash to seller |

Sale Price \$6,500,000

Land Data

| | |
|------------|---|
| Zoning | RM7, Multi-Family |
| Topography | Slopes down from south to north; on bluff |
| Utilities | All available |
| Shape | Triangular |

Land Size Information

| | |
|-----------------|----------------------------------|
| Gross Land Size | 1.021 Acres or 44,488 SF |
| Actual Units | 291 |
| Front Footage | N. Prospect Avenue; E. Lafayette |

Indicators

| | |
|------------------------|----------|
| Sale Price/Gross SF | \$146.11 |
| Sale Price/Actual Unit | \$22,337 |

Remarks

Located on Milwaukee's East Side, on the bluff overlooking Lake Michigan; the property is located at the northeast corner of N. Prospect Avenue and E. Lafayette Place in a vibrant, redeveloping area. E. Lafayette Place provides direct access to N. Lincoln Memorial Drive and Lake Michigan. The buyer/developer plans to build a 291-unit condominium project in twin, 20-story towers to be known as Park Lafayette. The \$90 million condominium project will offer Lake Michigan views and will have unit pricing from \$222,000 for a 1-bedroom, 740-square foot unit up to \$450,000 for a 2-bedroom, 1,248-square foot unit. The buildings will have a 446-space underground parking structure. Approval was received in December, 2005; construction is expected to be completed in 2008; as of May, 2006, about 50-units have been reserved. The project will have two towers and also 10 townhouses.

This property was acquired in April, 2006 for \$6,500,000 or \$146.11 per square foot; based on the 291 planned condos, the sale price is equal to \$22,337 per unit. Although the price per square foot reflects the highest land price per square foot in the metropolitan area, the price per dwelling unit is in-line with land prices for high density residential condominiums projects.

Land Sale No. 6

Property Identification

| | |
|---------------|--|
| Record ID | 290 |
| Property Type | Land, Multi-Family Land |
| Property Name | Kilbourn Tower Parcel |
| Address | 923 E. Kilbourn Avenue, Milwaukee, Milwaukee County, Wisconsin |
| Location | SWC E. Kilbourn Avenue & N. Prospect Avenue |
| Tax ID | 392-1693-000 |
| MSA | Milwaukee |
| Market Type | East Side |

Sale Data

| | |
|--------------------|---------------------|
| Grantor | City of Milwaukee |
| Grantee | Kilbourn Tower, LLC |
| Sale Date | July, 2003 |
| Deed Book/Page | Doc #8536243 |
| Property Rights | Fee Simple |
| Conditions of Sale | Arm's Length |
| Financing | Cash to seller |

| | |
|-------------------|-------------|
| Sale Price | \$700,000 |
| Upward Adjustment | \$368,000 |
| Adjusted Price | \$1,068,000 |

Land Data

| | |
|------------|--------------------|
| Zoning | C9A A, Residential |
| Topography | Slight slope |
| Utilities | All available |
| Shape | Irregular |

Land Size Information

| | |
|-----------------|---|
| Gross Land Size | 0.248 Acres or 10,800 SF |
| Actual Units | 74 |
| Front Footage | 140 ft on E. Kilbourn Ave; 70 ft on N. Prospect Ave |

Indicators

| | |
|------------------------|-------------------------------------|
| Sale Price/Gross SF | \$64.81 Actual or \$98.89 Adjusted |
| Sale Price/Actual Unit | \$9,459 Actual or \$14,432 Adjusted |

Remarks

Located at the southwest corner of E. Kilbourn and N. Prospect Avenues, Kilbourn Towers is a luxury condominium project with 33-floors offering excellent views of Lake Michigan and Milwaukee's skyline. The completed \$62 million, 74-unit project has units selling from about \$700,000 to over \$2,200,000. There are 4-levels of underground parking.

The 10,800 square foot parcel was sold through a bid/development plan submittal process; there were five bids/development plans submitted. The accepted bid was reportedly not necessarily the highest land price but maximized the development property value. The sale price consisted of a \$700,000 purchase price plus \$118,000 paid to the City to vacate the existing right-turn lane from E. Kilbourn Avenue to N. Prospect Avenue and \$250,000 paid to the City for upgrades to E. Kilbourn Avenue; the total price is \$1,068,000 or \$98.89 per square foot and \$14,432 per dwelling unit.

EXHIBIT C Assumptions and Limiting Conditions

No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. The appraisal presumes, unless otherwise noted, that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances which cannot be cleared through normal processes. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

Unless otherwise specifically noted within the appraisal report, it is assumed that title to the property appraised is clear and marketable and that there are no recorded or unrecorded matters or exceptions that would adversely affect marketability or value. We are not aware of any title defects nor have we been advised of any unless such is specifically noted in the report. We, however, have not examined title and make no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a nonconformity has been stated, defined, and considered in the appraisal report. Further, it is assumed that the utilization of the land and improvements is within the boundaries of the property described and that no encroachment or trespass exists unless noted in the report. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.

To the best of our knowledge, all data set forth in this report are true and accurate. Although gathered from reliable sources, no guarantee is made nor liability assumed for the accuracy of any data, opinions, or estimates identified as being furnished by others which have been used in formulating this analysis.

Land areas and descriptions used in this appraisal were either obtained from public records or furnished by the client and have not been verified by legal counsel or a licensed surveyor. The land description is included for identification purposes only and should not be used in a conveyance or other legal document without proper verification by an attorney. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size. All engineering studies are assumed to be correct. The plot and site plans and other illustrative material in this report are included only to help the reader visualize the property and they should not be scaled for size. Any survey or right-of-way plat sheet included was provided by the client and assumed accurate. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable.

Assumptions and Limiting Conditions, Continued

We have made a physical inspection of the property and noted any readily visibly apparent physical defects, if any, in our report. This inspection was made by individuals generally familiar with real estate and building construction; however, these individuals are not architectural or structural engineers who would have detailed knowledge of building design and structural integrity. Accordingly, we do not opine on, nor are we responsible for, the structural integrity of the property including its conformity to specific governmental code requirements, such as fire, building and safety, earthquake, and occupancy, or any physical defects that might exist. Unless otherwise specifically noted in the body of this report, it is assumed: that the existing improvements on the property appraised are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the property has been engineered in such a manner that the improvements conform to all applicable local, state, and federal building codes and ordinances. We are not engineers and are not competent to judge matters of an engineering nature. We have not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, make no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report, no problems were brought to our attention by ownership or management. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, if negative findings are reported by engineering consultants, I reserve the right to amend the appraisal conclusions reported herein.

Substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials could, if present, adversely affect the value of the property. Unless otherwise stated in this report, the existence of hazardous substances, which may or may not be present on or in the property, were not considered by the appraiser in the development of the conclusion of value. The stated value estimate is predicated on the assumption that there is no material on or in the property that would cause such a loss in value. No responsibility is assumed for any such conditions, and the client has been advised that the appraiser is not qualified to detect such substances or develop the remediation cost.

The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect on the value of the property. We have not considered the possible noncompliance with the requirements of ADA in estimating the value of the property.

Assumptions and Limiting Conditions, Continued

No soil analysis or geological studies were ordered or made in conjunction with this appraisal, nor were any water, oil, gas, coal, or other subsurface mineral and use rights or conditions investigated. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this appraisal report. Unless otherwise stated, it is also assumed that there are no air or development rights of value that may be transferred. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.

Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.

The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and projected stable economic conditions. These forecasts are, therefore, subject to changes with future conditions. Any cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future; rather, they are estimates of current market expectations of future income and expenses. The achievements of the financial forecasts are subject to fluctuating economic conditions and are dependent upon other projected future occurrences that obviously cannot be assured. Actual results will likely occur from the projections made herein and we cannot and do not warrant that these forecasts will occur. Projections may be affected by circumstances beyond the current realm of our knowledge or control.

Unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape have been considered. The property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use for which the value estimates contained in this report is based, unless otherwise stated.

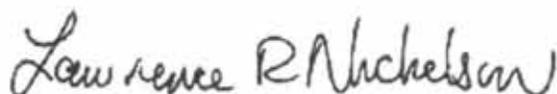
Testimony or attendance in court or at any other hearing is not required by reason of this appraisal unless arrangements are made within a reasonable time in advance for such testimony, and then such testimony shall be at the prevailing per diem for the individuals involved.

The date of value to which the conclusions and opinions expressed apply is set forth in this report. Unless otherwise noted, this date represents the last date of our physical inspection of the property. The value opinion herein rendered is based on the status of the national business economy and the purchasing power of the U.S. dollar as of that date.

EXHIBIT D
Appraisal Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I have not performed prior services regarding the subject property, as an appraiser, or in any other capacity, within the three year period immediately preceding acceptance of this appraisal assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice ("USPAP").
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- No one has provided significant professional assistance to the person signing this certification.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.



Lawrence R. Nicholson, MAI
Wisconsin Certified General Appraiser (#116)

EXHIBIT E**Professional Qualifications*****Lawrence R. Nicholson, MAI****The Nicholson Group LLC***Experience**

Owner of The Nicholson Group LLC, a Milwaukee-based real estate valuation and consulting firm dedicated to providing reliable and well documented valuations, feasibility and market studies, litigation support and other consulting services in a personal and timely manner. Mr. Nicholson has over 25-years of real estate valuation and consulting experience. Mr. Nicholson has been an MAI since 1989 and a Certified General Appraiser in the State of Wisconsin since 1991. He also was a Counselor of Real Estate ("CRE") from 2000 through 2008.

Mr. Nicholson has extensive experience with a variety of property types including office buildings, shopping centers, apartment complexes, golf courses, waterparks, marinas, hotels, business/industrial parks, developmental land, self-storage facilities, and light and heavy industrial facilities. Mr. Nicholson is an expert in condemnation-related appraisals as well as in partial interest valuation. Mr. Nicholson has been appointed by the Governor to the Real Estate Appraisers Board for the State of Wisconsin within the Wisconsin Department of Regulation & Licensing. Mr. Nicholson has taught the Valuation of Real Estate course (Real Estate 415) at the University of Wisconsin-Madison School of Business. Mr. Nicholson is also an approved instructor of real estate appraisal principles and procedures in the State of Wisconsin. He also frequently participates as a speaker in numerous conferences, seminars and symposiums. Mr. Nicholson has a Bachelor of Business Administration degree (real estate and finance) and a Master of Science degree in Real Estate Appraisal and Investment Analysis from the University of Wisconsin – Madison.

Prior to forming The Nicholson Group in 1993, Mr. Nicholson was National Managing Director of the Real Estate Advisory Group (REAG) of American Appraisal Associates. As an operating unit of the world's largest independent valuation consulting firm, REAG specialized in providing appraisal, consulting, and market research services nationwide.

Academics

University of Wisconsin - Madison

Master of Science - Real Estate Appraisal
& Investment Analysis (1981)

Bachelor of Business Administration - Finance & Urban Land Economics
(1979)

Appraisal Institute

Numerous real estate appraisal courses

American Society of Appraisers

Business Valuation 201

Business Valuation 202

Business Valuation 203

**Court
Experience**

Mr. Nicholson has provided expert testimony concerning the market value of real estate and partial interests. He has given depositions, provided expert testimony and litigation support regarding the valuation of land, office buildings, shopping centers, hotels, golf courses, industrial facilities and automotive dealerships.

Lawrence R. Nicholson, MAI
Professional Qualifications, continued

Professional Affiliations

- Appraisal Institute, MAI Designation #8077 (1989)
 - Board of Directors, Wisconsin Chapter (2006 - 2009)
 - Ethics Administration Division - Assistant Regional Member
 - Admissions Committee (former)
 - Board of Directors, Badger Chapter (former)
 - Chairperson - Public Relations Committee (former)
 - Nonresidential Appraisal Reports Grader (former)

- Wisconsin Department of Regulation & Licensing
 - Real Estate Appraisers Board, State of Wisconsin (5/1/2010 -)
 - Real Estate Appraisers Application Advisory Committee (2006 - 2010)

- State Certifications
 - Wisconsin Certified General Appraiser #116 (1991)

- International Right of Way Association

- The Counselors of Real Estate, CRE Designation #2708 (2000-2008)

- Commercial Association of Realtors Wisconsin
 - Board of Directors (2001-2004)

- University of Wisconsin-Madison
 - Lecturer, Real Estate 415, Valuation of Real Estate (2008 - 2009)

- Approved Instructor, Real Estate Principles and Procedures
 - Robbins & Lloyd (Wisconsin)

- University of Wisconsin Real Estate Alumni Association

- Wisconsin Interscholastic Athletic Association (WIAA)
 - Licensed Official, Basketball



Firm Overview

The Nicholson Group LLC is a Milwaukee-based real estate valuation and consulting firm. The Nicholson Group, established in 1993, is one of the pre-eminent valuation consulting firms throughout the State of Wisconsin as well as the Midwest and is a premier provider of appraisal and related services to financial institutions, law firms, investors, corporations and other real estate owners and users. We provide complete support from our initial consultation through our finished reports and if required, expert testimony.

The Nicholson Group is dedicated to providing reliable, well documented appraisals, feasibility and market studies, review appraisals and other consulting services in a personal and timely manner. All of our appraisal and consultation services are produced to the highest possible standards including complying with: the Uniform Standards of Professional Appraisal Practice ("USPAP"); the Standards of Professional Appraisal Practice and Code of Professional Ethics of the Appraisal Institute; and, the Standards of Professional Practice and Code of Ethics of the Counselors of Real Estate.

We pride ourselves in our ability to provide quality-oriented appraisal and consulting services which create and maintains a high level of **client confidence, trust, loyalty and satisfaction**. Our clientele include financial institutions, insurance companies, law firms, real estate operating companies, pension funds, pension fund managers, corporations, and governmental agencies. Our extensive experience with a variety of property types includes: office & industrial buildings; regional malls & shopping centers; hotels & motels; water parks, golf courses & marinas; self-storage facilities; business & industrial parks; apartment complexes; and, developmental land.

Our firm is characterized by valuation **knowledge and experience** as our work is produced by highly trained, experienced professionals; **credibility** based on extensive experience with leading real estate and business decision makers; **client service** geared to meet client timing needs at a fair price; and, high standards of **objectivity and integrity** that has earned high levels of **respect** throughout the real estate community.

The Nicholson Group Client Listing

Financial Institutions

Anchor Bank
 Associated Bank
 Bank of Kenosha
 Citibank
 Citizens Bank of Mukwonago
 Community Bank & Trust
 Harris Bank
 Johnson Bank
 JP Morgan Chase Bank
 Marine Bank
 M & I Bank
 National City Bank
 Park Bank
 TCF Bank
 The Private Bank
 Town Bank
 Tri-City National Bank
 US Bank
 Waukesha State Bank
 Wells Fargo Bank

Insurance Companies

AEGON USA Realty Advisors
 American Family Insurance
 American Fidelity Assurance Corp
 Northwestern Mutual Life
 Principal Life Insurance Company
 Society Insurance
 The Guardian

Attorneys

Balisle & Roberson
 Davis & Kuelthau
 DeWitt, Ross & Stevens
 Faegre & Benson
 Foley & Lardner
 Friebert, Finerty & St. John
 Godfrey & Kahn
 Kalcheim, Schatz & Berger
 Michael Best & Friedrich
 Quarles & Brady
 Reinhart Boerner Van Duren
 Schweitzer & Cincotta
 von Briesen, Purtell & Roper
 Weiss Berzowski Brady
 Whyte Hirshboeck Dudek

Municipal/Public

Arrowhead High School
 Cardinal Stritch University
 Carroll University
 City of Delafield
 City of Glendale
 City of New Berlin
 City of Oconomowoc
 City of Racine
 City of West Allis
 Redevelopment Authority of the
 City of Milwaukee
 Milwaukee County
 Marquette University
 Milwaukee Public Schools
 Sheboygan Area School District
 US Postal Service
 UW-Milwaukee Real Estate
 Foundation
 Village of Greendale
 Village of Hartland
 Village of Menomonee Falls
 Village of Pleasant Prairie
 Village of Shorewood
 Village of West Milwaukee
 Waukesha School District
 WI Department of Justice
 WI Department of Transportation

Real Estate Operating Companies

Atlas Management
 Continental Properties
 Fiduciary Real Estate Development
 General Capital Group
 Interstate Partners
 Lighthouse Development Co.
 Mandel Group
 Madison Golf Development Group
 Metropolitan Associates
 Pabst Farms Development Co.
 Principal Real Estate Investors
 Public Storage, Inc
 Told Development Company
 Towne Realty

Corporate

Abbott Laboratories
 Agnesian HealthCare, Inc.
 Aldrich Chemical
 American Honda Motor Corp.
 Boys & Girls Club of Milwaukee
 Bradley Center Sports
 Everbrite Company
 Extendicare Health Services
 Federal Express
 Harley Davidson
 Journal - Sentinel, Inc.
 Noah's Ark Family Park, Inc.
 Rockwell Automation
 Roth Kase USA Ltd.
 Sargento Foods
 Self Storage Preferred Partners
 SkipperLiner Marine Group
 Spancrete Industries
 Staubach Portfolio Services
 Swiss Colony
 Teamsters General Local No. 200
 U-Haul International
 United Parcel Service
 Walgreen Company
 Wal-Mart Stores & Wal-Mart Realty
 Wisconsin Alumni Research
 Foundation (WARF)

GENERAL SERVICE CONDITIONS

The services provided by The Nicholson Group LLC have been performed in accordance with professional appraisal standards. Our compensation was not contingent in any way upon our conclusions. We have assumed, without independent verification, the accuracy of all data provided to us. All files, work papers, or documents developed by us during the course of the engagement are our property. We will retain this data for at least five years.

My value opinion and report are to be used only for the specific purpose stated herein and any other use is invalid. No reliance may be made by any third party without our prior written consent. Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report shall be disseminated to the public through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of The Nicholson Group LLC.

You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement. The extent of The Nicholson Group LLC's liability as a result of any of the preceding items, or any other matter related to this engagement, is limited to the appraisal fee paid by the client for these appraisal services. Your obligation for indemnification and reimbursement shall extend to any controlling person of The Nicholson Group LLC, employee, affiliate or agent.

We reserve the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.