



# *Milwaukee County Board of Supervisors*

## *Supervisor Patricia Jursik, District 8*

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### **Will Northwestern Mutual Be the Partner Milwaukee County Needs?**

*Supervisor Patricia Jursik States One Piece Remains to be Added to Gain Her Support for the O'Donnell Sale:  
Deed Restricting the Southeast Quadrant to Protect the Continued Stewardship of the Lakefront*

After public hearings and a full vetting of the Northwestern Mutual (NM) proposal on O'Donnell Park by the County Board I, as chairwoman of the Economic and Community Development Committee, believe a final piece must still be added to garner support of this sale. Northwestern Mutual has been extremely professional throughout this process, and it is an absolute given that this corporate citizen is beyond reproach and a worthy partner for the citizens of Milwaukee County to share in stewardship of this significant publicly owned lakefront site.

As both a former real estate attorney and condemnation commissioner in Milwaukee County, I have read and outlined every supporting document surrounding the proposed sale of O'Donnell. Among the many, there are two significant documents that are pivotal: the parking study and the appraisal, in addition to the actual Purchase Agreement.

Starting with the Purchase Agreement itself, the original document provided that only zoning would limit the activities of the purchaser (NM) after the useful life of the parking garage ends. Through strong advocacy by Chairwoman Marina Dimitrijevic and to the credit of NM, the purchaser agreed to strengthen the provision for stewardship of our lakefront by agreeing to retain the prior deed restrictions that guarantee continued use of this space as public park land. However, this deed restriction only impacts the northern side of the site. Imagine drawing a straight line from the south curb of Wisconsin Avenue to Lincoln Memorial Drive. Everything north of this line on the current O'Donnell footprint would be deed-restricted. This includes that portion of the site that preserves a view-shed for the new NM headquarters and sparkling new high-rise that will stand on the north side of Wisconsin Avenue next to its beautiful new park, all part of the new NM headquarters.

The missing piece comprises the southeast quadrant of the O'Donnell Park footprint. In the plate attached, this quadrant comprises that part of the footprint that is south of the Wisconsin extension line and east of the current structure. This structure houses Betty Brinn Children's Museum, the Miller Room and Coast restaurant. Another way to describe the missing piece on this south portion is to exclude the structural footprint of the building but include the eastern land remaining which currently is a plaza over the parking structure. This southeast quadrant needs to also be preserved in our mutual stewardship.

With regard to the other two pivotal documents: the parking study and the appraisal, the parking study itself concludes that Milwaukee County had *not* done a good job of managing this parking structure. In the event the county does not sell O'Donnell, it is clear that the County Board should strengthen this management and realize increased revenues. Yet the study is also built on an unsupported premise, one that concludes all parking lost due to the Hoan bridge reconstruction would be absorbed in the Third Ward. The assumption is that the O'Donnell parking lot will not be the recipient of this increased parking demand.

The other weakness is using a cost-approach appraisal. The \$14 million valuation of O'Donnell is based on the revenues received from parking and the rentals. Others have criticized the low purchase price. At hearings - five in all - a range of \$14 million to \$40 million was discussed in valuations. Clearly \$14 million is at the low end of this continuum. NM argues that this is a good valuation because they cannot use the land for its highest and best

use due to the deed restrictions and park zoning. NM makes a fair point. However, the appraisal fails to adequately value the structure. When the County owns property for public use such as a children's museum, significant rent reductions are granted since it serves a public good. Private ownership is not so constrained. The appraisal never appropriately distinguished this use other than to refer to zoning restrictions. Once this private owner controls this site, significant value can be obtained from the structure. In fact, the long-range planning done by the City of Milwaukee envisions significant development at this location, and one can assume this current footprint could one day support a building that would rival the new NM headquarters and the current US Bank building.

Excluding this building footprint and immediate surrounding area for the benefit of the private owner while protecting the deed restricted land on the south east one-quarter quadrant actually makes the development potential of this future site more valuable. It also preserves the public access along Lincoln Memorial Drive, the gorgeous Calatrava Bridge and entrance to the world-class Milwaukee Art Museum. Additionally, the added restriction makes the appraised valuation which led to the purchase price more acceptable.

For all of these reasons, adding the southeast quadrant to the deed restricted land is truly good for NM, which could realize great future value from the site. More important, it preserves the public stewardship of this land. It is only here today for us to be entering into any discourse because our ancestor saved it. Let's not lose this legacy. Yet let us allow NM to refresh and rejuvenate this land as well.

Finally, the long-range plans of the Lakefront Planning Committee and the architects that have looked at this site all have recommended a better connection from the street-level of Wisconsin Avenue down to Lincoln Memorial Drive. If one stands on Wisconsin Avenue and looks east, there is a view-shed to the lake. But if one attempts to walk to the lake, a canyon wall awaits. The architects envision a terracing approach to better connect this area. To preserve the south east quadrant allows this future planning to go forward. If such terracing is accomplished, it only increases the value of what remains for the private ownership of the building footprint. This is good for NM, and it is good for Milwaukee County.

Without this missing piece, the benefits for the public are badly diminished. I call on NM to take this last step in amending its proposal. Add the south-east quadrant to the deed restricted land. Hold our hand and help us be a good steward of our lakefront.

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