

(ITEM ) From the Director of County Economic Development, Department of Administrative Services, requesting authorization to amend the Amended Option to Purchase Block 6E in the Park East Corridor and to approve of an assignment from Rainier Properties II, LLC, to Milwaukee River Partners I, LLC, by recommending adoption of the following:

**A 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 Park East 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 to 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 to \$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 \$6.5 million and \$7.2 million; and

WHEREAS, development of the County-owned 0.37-acre parcel on its own is

47 infeasible because the extent of contamination thereon is more extensive than the  
48 County anticipated; now, therefore,

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50 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby  
51 authorizes the Director of County Economic Development to approve of an assignment  
52 from Rainier Properties II, LLC, to Milwaukee River Partners I, LLC, and further amend  
53 the Amended Option to Purchase Park East Block 6E; and

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

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

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65 ; and

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67 BE IT FURTHER RESOLVED, that upon exercising the Option to Purchase, the  
68 following terms and conditions, consistent with the Park East Redevelopment Compact,  
69 shall be included in a development agreement:

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

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79 ; and

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

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