



U.S. Department
of Transportation
**Federal Highway
Administration**

Wisconsin Division Office

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In Reply Refer To:
HDA-WI

Mark Gottlieb, P.E., Secretary
Wisconsin Department of Transportation
4802 Sheboygan Avenue, Room 12B
Madison, WI 53707

Dear Mr. Gottlieb:

This is in response to your March 26, 2015, letter regarding the City of Milwaukee's Park East Redevelopment Corridor. In your letter, you request an amendment to the FHWA approval letter of July 22, 2014. In the July 22nd approval letter, the FHWA granted an exception to the Fair Market Value (FMV) requirement for disposal of real property based on a finding of public interest for economic purposes. The exception was granted pursuant to 23 U.S.C. § 156(b) and 23 C.F.R. § 710.403.

As a preliminary matter, FHWA acknowledges that the July 22nd approval letter's reference to Blocks 1, 2, 3, 4, and/or 7 requires clarification. The block designations shown in the July 22nd approval letter were, for the most part, made in reference to block designations shown on the plat of survey, *Park East on the West Side of the Milwaukee River* (May 18, 2007 Doc. No. 09434632). The July 22nd approval letter's block references also correspond to Blocks 1, 2, 4, and 7 of the *Park East Redevelopment Plan* (PERP) (June 14, 2004). As will be memorialized in the Memorandum of Understanding (MOU) called for in the July 22nd approval letter, FHWA's block references henceforth shall be consistent with the block designations shown on the PERP, which block designations FHWA now adopts. All blocks for which the FHWA approval applies are identified in Exhibit A, attached hereto, which exhibit shall be incorporated as an exhibit to the MOU.

WisDOT March 26, 2015 Request Number 1 – Approved with conditions.

Based upon the information provided by WisDOT, the July 22, 2014 FHWA approval to dispose of real property at less than FMV is extended to include Block 22 of the PERP. FHWA's approval is contingent on WisDOT's compliance with the terms and conditions set forth in the July 22nd approval letter, as those terms and conditions are further amended, herein.

WisDOT March 26, 2015 Request Number 2 – Approved with conditions.

FHWA finds that the information provided by WisDOT and the County supports granting an additional exception to allow disposal at less than FMV of those lands which contain a federal

interest shown in PERP Block 12. FHWA's approval is similarly based on a finding of public interest for economic purposes. The reasoning and supporting documentation, detailed in FHWA's July 22nd approval, and the conditions for approval of the exception set forth therein shall apply to PERP Block 12 disposals. The FHWA acknowledges that Block 12 may not be included in the Milwaukee County/City of Milwaukee RFP. All remaining conditions of the July 22nd approval letter will apply to Block 12.

FHWA's PERP Block 12 approval is based on the following body of supporting documents:

- County Board Res. No. 14-724 and that resolution's supporting documents
- County Board Res. No. 04-492 and that resolution's supporting documents
- WisDOT's March 26, 2015 letter
- The supporting documentation listed in FHWA's July 22, 2014 letter

The key facts supporting this finding are:

- FHWA's intention to support the County and City of Milwaukee's policy of attracting equitable and community-oriented economic development to this area of Milwaukee;
- PERP Block 12 was not subject to the Westside RFP, instead remaining subject to the 2002 Park Freeway Land Disposition Plan and Agreement (2002 Agreement);
- The County's efforts to sell and develop PERP Block 12, pursuant to the 2002 Agreement have made limited progress;
- The 2002 Agreement provides no exception to sell a federal-interest parcel for less than FMV;
- WisDOT supports the County's request for a less than FMV exception which exception would facilitate the assemblage of PERP Block 12 to adjacent parcels for future development purposes; and,
- The County has committed to presenting the plan to develop PERP Block 12 as an assembled property to WisDOT, which WisDOT will review to ensure the sale fulfills the conditions for which the requested federal exception is granted.

WisDOT March 26, 2015 Request Number 3.

As stated above, FHWA adopts the block designation references found in the PERP. See *supra* at page 1.

Also, as requested in your March 26, 2015 letter, Item 4 of FHWA's July 22, 2014 letter is amended as follows:

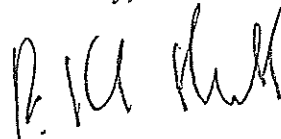
4. In FHWA's August 24, 2005 letter and the 2005 WisDOT-County *Agreement for County Removal of the Milwaukee County Courthouse Annex Facility* (2005

Annex Agreement), the Annex Removal Project, as defined therein, was determined to be an activity eligible for funding under Title 23 of the United States Code (USC). WisDOT and the County will use the federal share of proceeds from the sale of Park East parcels to first pay the County for WisDOT's obligations under the 2005 Annex Agreement. Any amounts remaining after WisDOT's obligations under the 2005 Annex Agreement have been paid shall follow the 2002 Agreement. Neither FHWA nor WisDOT shall bear any further financial responsibility to any of the parties to the 2005 Annex Agreement should the combined sale of all surplus Park East right-of-way yield proceeds of less than \$5.2 million.

In addition, your request 3.C. and D. in the March 26, 2015 letter are granted for the reasons stated in your request. The FHWA will not require that the MOU be recorded and will not require that the City execute the MOU.

We appreciate the continued efforts of your agency in pursuing this unique and beneficial opportunity. Please contact Joel Batha at 608-829-7519 or joel.batha@dot.gov if you have any questions or concerns.

Sincerely,

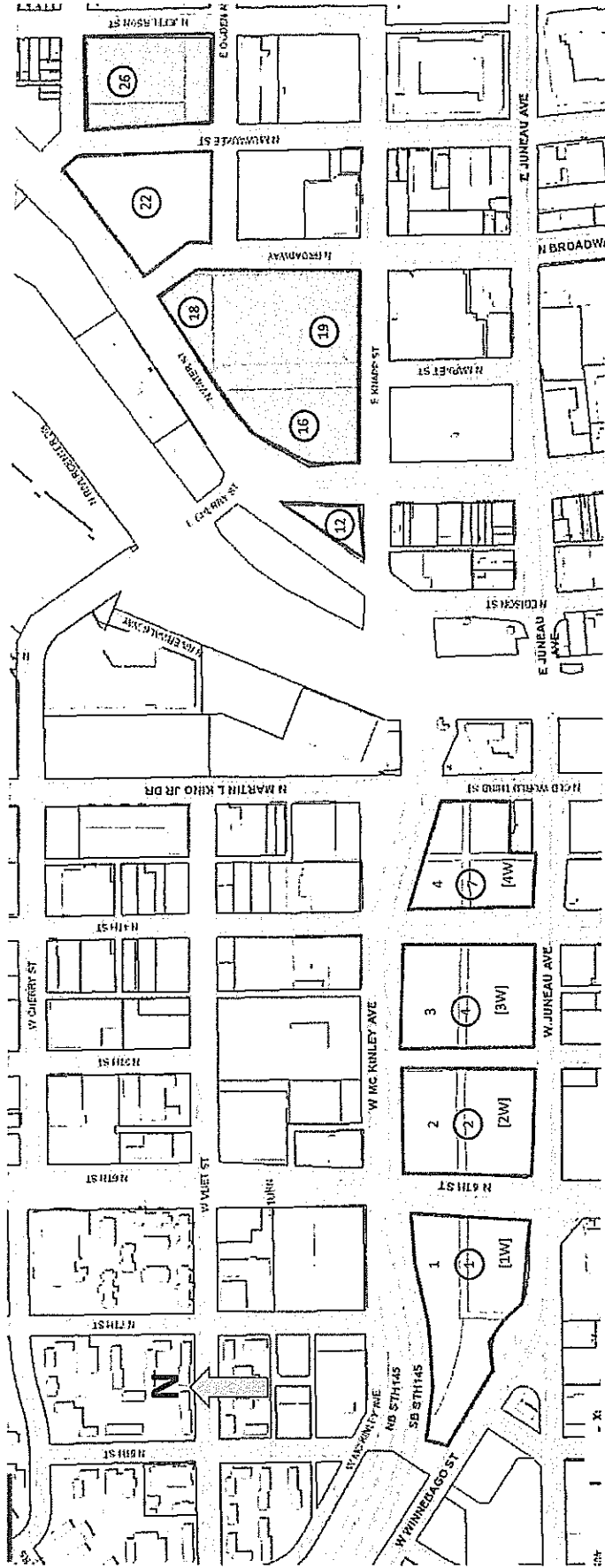


for George R. Poirier, P.E.
Division Administrator

ecc: Julie Dingle, Attorney, FHWA Office of Assistant Chief Counsel for Mid-West
Virgil Pridemore, Director, FHWA Office of Real Estate Services
Brad Basten, Economic Development Officer, WisDOT Office of the Secretary
Rory Rhinesmith, Operations Manager, WisDOT DTSD
Claudia Peterson, WisDOT Southeast Region

Park East Redevelopment Corridor

EXHIBIT A
To the McKinley Avenue MOU



Milwaukee County titled lands are shown in red outline.

Blue shading indicates former County-titled Park East Freeway blocks that have been sold under the 2002 LDA and are not subject to this Agreement.

Block Numbering Conventions

- 1 = Block Number from "Park East on the West Side of the Milwaukee River" Plat (Doc. No. 09434632, May 19, 2007)
- ① = Block Number from City of Milwaukee and Park East Redevelopment Plan (June 15, 2004)
- [1w] = Block Number from former County block numbering convention