



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

REGION V
Illinois, Indiana,
Michigan, Minnesota,
Ohio, Wisconsin

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April 4, 2016

Mr. Brian Dranzik
Director of Transportation
Milwaukee County Transit System
10320 W. Watertown Plank Road, 2nd Floor
Wauwatosa, WI 53226

Re: Proposed Disposition of Milwaukee County Transit Center, 909 East Michigan Street, Milwaukee, Wisconsin

Dear Mr. Dranzik:

The Federal Transit Administration (FTA) has reviewed your request for concurrence in the disposition of the Downtown Transit Center (DTC). The FTA concurs with Milwaukee County's (County) proposal, contingent upon satisfaction of the below terms and conditions.

In 2012, Milwaukee County declared the DTC surplus property, and received the FTA's concurrence to sell the property and apply proceeds from the sale to another capital project, pursuant to 49 USC § 5334(h)(4). Based on a recent appraisal, the current value of the property with the improvement is \$8,940,090. The federal interest in the site is \$6,705,068.

In December 2014, the County entered into an "Option to Purchase" Agreement with Barrett Visionary Development, LLC (BVD) wherein BVD would acquire title to the property and construct a high rise, mixed-use tower that incorporates a transit concourse and streetcar station in exchange for a purchase price of \$500,000. The County proposed to FTA that the appraised value of the property will be paid through: (1) the \$500,000 purchase price; (2) incorporation of a transit concourse and streetcar station (estimated value of \$7,376,600) paid for by BVD; and (3) a 40-year no-cost lease of the transit concourse and streetcar station to the County by BVD (estimated value of \$14,980,000). The County proposes to use the proceeds from the sale of the DTC to reduce the gross cost of another capital transit project, namely a 40-year capital lease of a transit concourse and streetcar station.

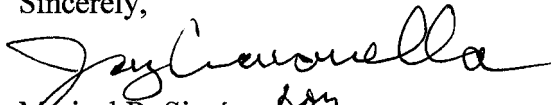
FTA concurs in the proposed disposition plan subject to the following conditions:

- 1) Milwaukee County will provide FTA a detailed description of the transit concourse and streetcar station to the FTA by December 31, 2016.

- 2) Milwaukee County represents and warrants that the construction of the concourse and streetcar station will be completed and open for revenue service on or before December 31, 2020.
- 3) Milwaukee County and BVD will enter into a 40-year capital lease for the operation and maintenance of a transit concourse and streetcar station that complies with the requirements set forth in 49 U.S.C. Chapter 53, 49 CFR part 639, and FTA Circular 5010.1D. The lease terms must demonstrate satisfactory continuing control of the transit concourse and streetcar station by Milwaukee County for the duration of the lease.
- 4) If the transit concourse and streetcar station is: (1) significantly diminished from the detailed description provided in paragraph 1, (2) is not constructed, or (3) if operations cease prior to the expiration of the 40-year no-cost lease, FTA will reevaluate the terms of this agreement and may seek reimbursement of all or part of the federal interest in the property (up to \$6,705,068).

If you have any further questions, you may contact Katy Loster or me at (312) 353-2789.

Sincerely,



Marisol R. Simón *son*
Regional Administrator