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Manpower Site

Time Warner Cable Site

W. CHESTNUT ST.

MILWAUKEE RIVER

Rainier controlled site

Edison Street

Subject

Water Street

BMO Harris

W. SO. W.

Knapp Ave.

McKinley Ave Bridge

M. 2ND ST.

N. WILSON

N. WILSON ST.

N. WILSON ST.

Judeau Avenue

N

Rainier Properties II, LLC

May 21, 2012

Mr. Craig Dillmann
Milwaukee County Real Estate
2711 W. Wells Street, Room 339
Milwaukee, WI 53208

Dear Craig:

We are pleased to bring the Economic Development Committee up to date on the landmark project to be built at the northwest corner of Water Street and McKinley Avenue. As you know, the 2.6 acre site is an assemblage of privately owned property, a portion of N. Edison Street and .37 acres of County land.

There has been activity in the market and specifically in the Park East development corridor over the past year which is summarized below. With the new members on the committee, I thought it would be helpful to first describe the site in more detail. The approximately 2.6 acre site consists of 3 separate parcels. The largest of the parcels is the parking lot that stretches 650 feet along the Milwaukee River owned by Parking Management Inc. (PMI.) PMI has entered into a partnership with our team to develop the property. The second part of the assemblage is Edison Street that runs between Cherry Street and McKinley Avenue. In our conversations with the Department of City Development we have been assured that the City would vacate Edison and contribute the parcel to the development. The third piece of the assemblage is the .37 acre parcel owned by the County at the corner of Water Street & McKinley Avenue. As we have discussed in the past we feel strongly that the highest and best use of the County owned parcel is that it be developed as a part of a larger landmark project. In fact, the Park East redevelopment plan adopted by the City calls for a landmark project on this assembled site.

Marcus Theatres continues to be committed to anchoring the project which is integral as we move forward. We pursued and were a finalist to house the Harmony Initiative; however they decided to focus on the redevelopment of the Marcus Center for the Performing Arts' parking structure. We were also in "finalist" discussions with Baker Tilly and their move to Milwaukee's downtown market but they decided to move to existing space at the US Bank tower. While the overall real estate market is improving as the country recovers from the recession, we are finding large office tenants hesitant to commit to moving or adding locations. We are pleased that this development site is always "in the mix" and part of any discussion regarding downtown office space. We do not intend to change our vision for this Park East development block, which is consistent with the overall development plan, and will continue to pursue the tenants that will allow us to move forward and eventually break ground on a landmark building.

Activity among other blocks in the Park East development area continues, including the MSOE parking and athletic structure, located near our site, which had its groundbreaking ceremony on May 4th. The pursuit of the Kohl's headquarters move from Menomonee Falls to the Park East development area included our site in the discussions. While that exciting opportunity failed to materialize, the City and County have agreed to work more closely in the future to attract

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companies to the Park East and other Milwaukee County opportunities which can only help us going forward with this project.

As we have discussed previously, our team continues to invest considerable time and money in this important project. We respectfully request that the Committee continue its support of the project by extending our agreement for 6 months with an option for an additional 6 months. As you know, we have provided snow removal services during the past winter and will remove litter and mow this summer on a regular basis.

We appreciate the Committee's support to date and look forward to continuing our working relationship to bring this project to fruition.

Sincerely,



Bruce Westling, Managing Member
Rainier Properties II, LLC