

City
of
Milwaukee

April 22, 2014

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

Dear Mr. Gottlieb:

The Park East Redevelopment Corridor is of critical economic importance to the City of Milwaukee (City), Milwaukee County (County) and the Wisconsin Department of Transportation (WisDOT). The City and the County have approved the Park East Freeway Corridor Redevelopment Plan (Park East Plan) and are anxious to begin the implementation phase.

When the County assumed jurisdiction of the Park East freeway lands in 2002 it was always contemplated that the County would sell the lands for redevelopment purposes in accordance with City planning efforts. The Park Freeway Land Disposition Plan and Agreement (Land Disposition Plan) between WisDOT, the County and the City, dated February 5, 2002, outlined the disposition of the proceeds of Park East land sales between the County, WisDOT and FHWA. When the City completed its master plan related to the corridor, the Park East Redevelopment Plan, in 2004, redevelopment efforts began.

Initially, FHWA's share of the proceeds was to be deposited with WisDOT for use on eligible Title 23 transportation projects in Milwaukee County. On November 4, 2005, WisDOT and the County signed an Annex Removal Project Agreement, permitting the County to retain FHWA's share of Park East land sale proceeds up to \$5.2 million as reimbursement for the costs it incurred to remove the Courthouse Annex to accommodate the Marquette Interchange project.

Since 2004, Milwaukee County has published several requests for proposal (RFP's) for the sale and development of individual Park East blocks, with limited success. As a result, this prime downtown land has remained mostly vacant, fueling rumors that the land is undevelopable. To date, only one project has been completed on County-owned land in the corridor – a parking structure/soccer field owned by the Milwaukee School of Engineering. A second development,

market-rate housing, broke ground in the fall of 2013. Though the land was sold in 2007, an economic downturn resulted in financing complications that stalled the project's construction until a new owner was found in 2012.

Recently the County and the City have begun a joint marketing effort with assistance from the brokerage community to spur development of the remaining Park East parcels. The collaboration has focused on the creation of a rolling RFP for all of the west side parcels to better mimic private sector transactions, while touting transparent review and approval processes. Of particular significance is the focus during the review process not just on price, but on the financial feasibility and overall benefit to the community generated by the project. This is consistent with Milwaukee County's Park East Redevelopment Compact (PERC), the internal resolution (04-492) which mandates that Park East lands be sold through a competitive Request for Proposals process and "development proposals which will provide the greater future benefit in jobs, tax base and image for the community, as well as, a fair price" be considered. A copy of this rolling RFP, in draft form, has been provided for closer review.

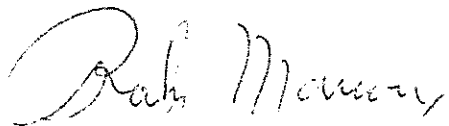
Through the redevelopment of the Park East Corridor, the partnership, consisting of the City, County and WisDOT is striving to improve the economic vitality by promoting job creation and establishing a sustainable future tax base. Removing the Park East Freeway would increase the potential of economic development in the project area by opening up approximately 22-25 acres of land development. This was stated on page 48 of the the attached "Finding of No Significant Impact for project id 1730-05-00, 1730-06-00, and 1730-07-00." To aid in accomplishing the goal of economic development, the City and County request that WisDOT approve the disposal of the remaining ROW parcels as outlined in the attached RFP, with the understanding that the RFP process and grading criteria may result in a sale at less than fair market value. By focusing on the combined criteria in the RFP a proposal with the highest overall score will create the best economic viability and job potential for this corridor. We ask that WisDOT request concurrence from FHWA to follow the process and criteria outlined in the RFP under the exception authorized under 23 United States Code (U.S.C.) 156(b).

The financial impact of this federal approval to dispose of these parcels under 23 U.S.C. 156(b) falls upon the WisDOT. To minimize adverse impact, the City and County request that after the federal share of proceeds received from the sale of Park East parcels has paid off the \$5.2 million debt detailed by the Annex Removal Agreement, that the federal share of such proceeds will be applied to activities eligible for funding under title 23 of the Code of Federal Regulations (CFR), Part 710A. This stipulation will be outlined in a Memorandum of Understanding (MOU) drawn up and signed by representatives from WisDOT, City of Milwaukee, County of Milwaukee and FHWA if needed. Until such time as an MOU is in place, the above-mentioned agreements, copies of which have been attached for your convenience, shall govern the distribution of land sales proceeds.


The City and County are very anxious to begin marketing and selling the parcels as outlined in the attached RFP. We would like WisDOT to provide a representative to the process selection committee. Please let us know when you have received FHWA's concurrence and we can begin moving forward.

We appreciate the time, patience and discussion that you have brought to this unique opportunity to spur the economic development in the State of Wisconsin and in the City of Milwaukee specifically. Continued cooperation will be imperative to realizing the successful development of the Park East Corridor.

Sincerely,

A handwritten signature in cursive script that reads "Rocky Marcoux".

Rocky Marcoux, Commissioner of City Development City of Milwaukee

A handwritten signature in cursive script that reads "Teig Whaley-Smith".

Teig Whaley-Smith, Milwaukee County Director of Economic Development

Attachments: (6)