



Wisconsin Department of Transportation

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Scott Walker
Governor

Mark Gottlieb, P.E.
Secretary

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May 2, 2014

George R. Poirier, P.E.
Division Administrator
FHWA - WI Division
525 Junction Road, Suite 8000
Madison, WI 53717

Dear Mr. Poirier,

The Wisconsin Department of Transportation (WisDOT) has received a joint request from the City of Milwaukee (City) and Milwaukee County (County) allowing them to sell the remaining parcels in the Park East Corridor according to a rolling Request for Proposal (RFP). A copy of RFP and letter is attached.

WisDOT in partnership with the City and County is striving to improve the economic vitality of the Park East corridor and supports the City and County efforts to market the parcels under the attached RFP. We have reviewed the criteria and process for selection and with WisDOT participation on the selection committee and by meeting the following conditions WisDOT feels that the best outcome for the economic vitality of Park East corridor will be achieved.

1. The Park Freeway Land Disposition Plan and Agreement in place between WisDOT, County, and City, dated February 5, 2002, outlines the disposition of the proceeds of Park East land sales between the County, WisDOT and FHWA ("2002 Cooperation Agreement"). The Annex Removal Project Agreement dated November 4, 2005, by and between WisDOT and County of Milwaukee (Annex Removal Agreement), details expenditures made by County in connection with removal of the Courthouse Annex to accommodate the Marquette Interchange project, and such expenditures are considered an eligible activity under title 23 of the Code of Federal Regulations (CFR), Part 710. Money received from any conveyances of Park East parcels that occurred on or before January 1, 2014 will follow the 2002 Cooperation Agreement and the Annex Removal Agreement.

2. 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, then the federal share of such proceeds from any remaining Park East parcels will be applied towards activities eligible for funding under title 23 of the Code of Federal Regulations (CFR), Part 710. The pertinent language in 23 CFR 710.403(e) states:

The Federal share of net income from the sale or lease of excess real property shall be used by the [State Transportation Department] for activities eligible for funding under title 23 of the [U.S.C.]. Where project income derived from the sale or lease of excess property is used for subsequent title 23 projects, use of the income does not create a Federal-aid project.

3. The Wisconsin Department of Transportation will not request or use Federal Funds for the repurchase of the Park East Corridor parcels should a project need arise.
4. As the Park East Corridor property was acquired in part with federal funds, the federal share of the net income from the revenues obtained from the sale of the surplus property would have been under the direct control of the WisDOT and would have been used by WisDOT for transportation projects eligible for funding under Title 23 of the U.S.C. within Milwaukee County. The financial impact of this federal approval to dispose of these parcels per the RFP may result in a sale at less than FMV under 23 U.S.C. 156(b) and falls on the state DOT. Since WisDOT will be denied the use of the federal share of the net income from revenues obtained after the sale of the Park East parcels, WisDOT will ensure that the proceeds will be applied to activities eligible for funding under title 23 of the Code of Federal Regulations (CFR), Part 710A in Milwaukee County and 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.

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WisDOT concurs with the request to allow an exception from the City and County to sell the remaining parcels according to the RFP and WisDOT formally requests FHWA approve the exception which is in the overall public interest for social, environmental, or economic purposes.

Sincerely,

A handwritten signature in black ink that reads "Mark Gottlieb". The signature is written in a cursive, slightly slanted style.

Mark Gottlieb, P.E.
Secretary