



Park East - Block 26 Transaction Update Phases 2 & 3

October 28, 2019



Outline

1. History
2. Proposal
3. Location Overview
4. New Developer
5. Community Benefits
6. Alternatives
7. Results





History

1. Original Agreement, plus Six Amendments
 1. Land sold December 2007 to initial developer (Curto)
 2. Project impacted by financial recession
 3. Phase 1 certified substantially complete April 2016
 4. Multiple documents and amendments cloud details
2. Second Developer Agreement in 2012
 1. Proposed developer (Wangard) did not meet obligations for Phases 2 & 3
 2. Original Agreement, as amended, remains controlling instrument
3. Phases 2 & 3 Remain Undeveloped
 1. Curto and Wangard entities hold fractional interests in land

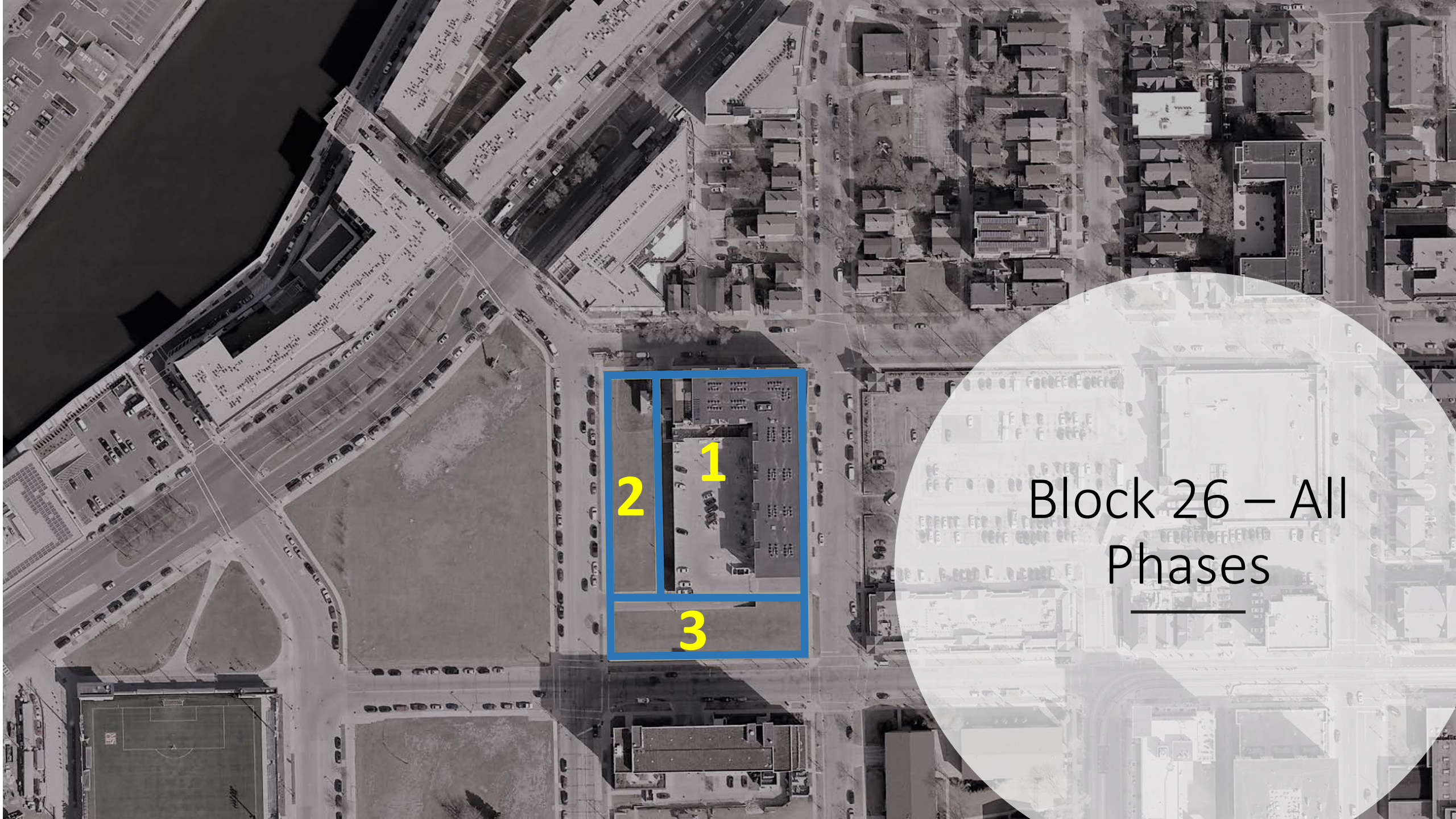




Proposal

1. Terminate existing Development Agreement
 1. Clears ambiguities created by years of overlapping amendments
 2. Provides that County receives \$100k in consideration
2. Enter into a new Development Agreement with New Developer (Weidner)
 1. Reconciles ownership
 2. Sets forth a focused path to development completion in 2022
 3. Establishes \$250k letter of credit
 4. Creates an estimated \$26m value in new construction dollars





Block 26 – All
Phases



Avenir Phase 1 As-Built

Mixed Use
Retail & Residential

Block 26 All Phases - Avenir

- Phases 2 & 3 to rely on existing approved elevations
- Architecturally harmonious with Phase 1
- Adds 145 units
- \$250k LOC
- \$26m in new development





New Developer



Overview

- Purchased Avenir Phase 1 after construction
- Over 55k rental units in 270+ properties
- Ranked 15th in the U.S. in apartment ownership
- More than 500k s.f. of commercial real estate
- Locations in 12 States and 4 Canadian Provinces
- Entered market in 2017
- Expanding Milwaukee footprint through acquisitions

2018 Economics

- Revenue: \$677m
- NOI: \$394m
- Cash Flow: \$167m
- Value of Assets: \$9b





New Developer

Milwaukee Acquisitions





Community Benefits

- Targeted Business Participation
 - 25% construction
 - 17% professional services
- Compliance with PERC (except prevailing wage*)
- Property Developed
 - Addition of 145 residential units to market
 - Increases to tax base
 - Completes Block 26 as originally envisioned

*The 2017-2019 Wisconsin State Budget (2017 Wisconsin Act 59) repealed Wisconsin's prevailing wage laws as may be applicable to new and amended development agreements.





Alternatives

- Notice default of development agreement
 - Creates Opportunity to Repurchase
 - Equal to 85% of purchase price; Phases 2 & 3 = approx. \$1m
 - Pursue Penalties
 - Accumulate at \$2,000/day; parties disagree if/when dates apply
 - Actual damages; likely difficult to evidence and support
- Pursuit of repurchase and penalties is likely to be contentious, leading to further delays.
- Future development on site would be subject to market conditions.



Results

- ✓ Block 26 vision completed
- ✓ 100k contribution
- ✓ 145 net new units
- ✓ Completion in 2022
- ✓ \$250k LOC
- ✓ \$26m in new development

