

**Milwaukee
Development
Corporation**

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December 27, 2019

The Honorable Theodore Lipscomb, Sr.
Chair, Milwaukee County Board of Supervisors
The Honorable Marcelia Nicholson
Chair, Committee on Economic and Community Development
Milwaukee County Courthouse
Room 201
901 North 9th Street
Milwaukee, WI 53233

RE: East Pointe Commons Project Agreement – Annual Status Report

Dear Chairman Lipscomb and Chairman Nicholson:

Under the provisions of the amendments to the East Pointe Commons Project Agreement, the Milwaukee Development Corporation and Mandel Group Inc., as the developers of the nine-block Park East corridor, are to report annually to the Milwaukee County Board of Supervisors specifically on the status of Burns Commons and the north portion of “Block 9” of the former Park East freeway corridor.

Burns Commons

As you know, pursuant to a three-party agreement between MDC/Mandel, the City of Milwaukee, and Milwaukee County, funds for the improvements to Burns Commons come from the City through a Tax Incremental Financing District, the land is contributed by the County and MDC/Mandel, and the entire park will be conveyed to and operated by Milwaukee County. In the meantime, the park is being privately maintained at no cost to the County.

Within the last several months, we have been coordinating with the County Parks Committee, the Economic Development Director Aaron Hertzberg, Parks Director Guy Smith, and Sculpture Milwaukee to place another Beverly Pepper sculpture at Block 9. The temporarily-placed additional sculpture will greatly enhance the park. Over the next year, we will attempt to raise money to purchase and maintain the sculpture and permanently place it in the park. This is exactly the same process we used for the first sculpture. We are privately covering all costs of this initiative with no cost to the County.

Block 9 North

This approximately 1.7-acre parcel is situated on the east side of North Prospect Avenue, immediately north of the Lake Bluff Apartments.

We have spent considerable time and investment planning for a high-rise luxury "apartment community" on this parcel. We have designed a high-rise 25 floors above-grade apartment development for this site, which we have named "Portfolio." We have solicited, secured, and analyzed competitive construction bids based on schematic design drawings. We have canvassed capital sources throughout the United States and beyond our borders to access equity for this development. In addition, we have and will continue to discuss public assistance (to cover the gap between actual and supportable development costs) with the City. We have redoubled our efforts to obtain City financial support; however, to date, they continue to remain unsuccessful.

We are currently refining our plans in response to market conditions, changing the number of apartments, floor plan layouts, and amenity package to improve the marketability and increase the profitability to attract capital sources. Due to the reluctance of the City to provide financial support, we are also exploring a mid-rise (7 to 12 floors) instead of a high-rise, to reduce the cost of construction without diminishing the quality of the apartment building. This will, of course, reduce the number of total apartments and potential tax base. We will provide both the high-rise and mid-rise alternatives to the City and let them make a policy decision. We remain hopeful that either our new design or perhaps a public/private component for the high-rise to enhance the capital stack will create a pathway to move forward.

We wish you a Happy Holiday Season and a Happy New Year.

Very truly yours,

MILWAUKEE DEVELOPMENT
CORPORATION



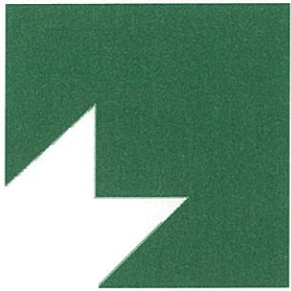
Pat O'Brien
President

MANDEL GROUP INC.



Barry R. Mandel
President

cc: Sheldon A. Wasserman, Supervisor - 3rd District
Guy Smith, County Parks Director
Aaron Hertzberg, Economic Development Director
Jason Haas, Parks Committee Chair



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