



Milwaukee County

Legislation Details (With Text)

File #: 11-285 **Version:** 1 **Name:** Park East Block 6E Extension
Type: Action Report **Status:** Signed
File created: 5/31/2011 **In control:** County Clerk
On agenda: **Final action:** 7/12/2011

Title: From Rainier Properties II, LLC requesting an extension to the option to purchase for the triangular-shaped .37-acre Block 6E in the Park East Corridor, located between North Water Street, North Edison Street and East Knapp Street in the City of Milwaukee, east of the Milwaukee River.

Sponsors:

Indexes:

Code sections:

Attachments: 1. REPORT, 2. RESOLUTION, 3. FISCAL NOTE, 4. ATTACHMENTS, 5. Audio ECD 6/13/11, 6. CB Resolution 11-30(a)(b)

Date	Ver.	Action By	Action	Result
7/12/2011	1	County Executive	SIGNED	
6/23/2011	1	Milwaukee County Board of Supervisors	ADOPTED	Pass
6/13/2011	1	Committee on Economic and Community Development	RECOMMENDED FOR ADOPTION AS AMENDED	
6/3/2011	1	Board Chairman	ASSIGNED	

From Rainier Properties II, LLC requesting an extension to the option to purchase for the triangular-shaped .37-acre Block 6E in the Park East Corridor, located between North Water Street, North Edison Street and East Knapp Street in the City of Milwaukee, east of the Milwaukee River.

From Rainier Properties II, LLC requesting an extension to the option to purchase for the triangular-shaped, .37-acre Block 6E in the Park East Corridor, located between North Water Street, North Edison Street and East Knapp Street in the City of Milwaukee, east of the Milwaukee River.

Milwaukee County Board Resolution File No. 06-14(a)(a) was adopted on April 13, 2006, accepting a development proposal from MLG Commercial, the predecessor to Rainier Properties II, LLC ("Rainier") for Block 6E, in the amount of \$676,000, which is \$72,000 above the appraised value. The approved development project, estimated at \$8 million, included a four-story mixed-use building, comprising 8,000 rental square feet of retail on the first floor, approximately 36,000 square feet of rentable office space on the upper three floors and up to 31 underground parking spaces.

As referenced above, the proposal from Rainier reflected a stand-alone mixed-use development for Block 6E, however, their proposal also presented a development alternative by assembling Block 6E with a riverfront parcel controlled by Rainier across North Edison Street (exhibit attached). Developing a project on the assembled 2.6-acre site offers an opportunity for landmark development with a tax base beyond what could be achieved solely on the .37-acre County-owned Block 6E.

Rainier continues to advance their development vision for Block 6E, as assembled with their riverfront parcel. In the attached May 27, 2011 letter, Mr. Bruce Westling, the managing member of Rainier, states the Marcus Corporation Theatres continues to be committed to anchoring the project. The letter states Rainier also embarked on an educational partnership with MSOE. The partnership provided MSOE seniors a "real world"

development experience by working on the project from the initial programming phase through a construction document phase. The project was being considered by the Harmony Initiative, comprising the Milwaukee Ballet, UWM's Peck School for the Arts and a sports medicine clinic for the Medical College of Wisconsin, however, at this time does not appear to be in primary position.

Rainier continues to invest professional and monetary resources to move this landmark project forward. They recognize the real estate market is slowly recovering but understand time and perseverance are needed to bring the project to a successful completion. Therefore, Rainier is requesting a six-month extension to their option to purchase for Block 6E until December 30, 2011.

In addition to the \$65,000 in nonrefundable option fees already committed by Rainier and previously increasing the purchase price \$24,000 from \$676,000 to \$700,000, Rainier pledges to continue providing snow clearing of the sidewalks abutting Block 6E, litter removal and mowing services. Providing these services helps reduce County maintenance costs and improves the aesthetics of the surrounding area.

RECOMMENDATION:

Staff respectfully requests that the Committee on Economic and Community Development recommend to the Milwaukee County Board of Supervisors an extension to the existing option to purchase with Rainier for Block 6E until December 30, 2011.

FISCAL NOTE:

Extending the existing option to purchase with Rainier for Block 6E until December 30, 2011, will not include the payment of an extension fee, but Rainier continues to provide maintenance services on and abutting the block that reduces operating costs for the County. The \$65,000 nonrefundable option fee paid to date will be credited toward the \$700,000 purchase price, but will not be refunded if the option is not exercised and the purchase is not finalized.

Craig C. Dillmann
Manager of Real Estate Services

Meeting Date: June 13, 2011
Attachments

cc: Chris Abele, County Executive
Lee Holloway, County Board Chairman
Supervisor Eyon Biddle, Sr., District 10
Jack Takerian, Director of Transportation and Public Works
Josh Fudge, Fiscal Management Analyst