

PLANT TWO CORPORATION

November 30, 2005

The Honorable
Public Works Committee of the
Milwaukee Common Council
City Hall – Room 205
200 East Wells Street

Subject: File No. 050527 being a substitute resolution amending a special privilege to Plant Two Corporation in the vicinity of 338-348 South Water Street to renew permission to park boats and boat trailers on an unnamed street, in the 12th Aldermanic District in the City of Milwaukee

Dear Committee Members:

This will respond to the November 21, 2005 letter from the Department of City Development. I intended to discuss this at a meeting scheduled with Alderman Baumann today, but I have been informed via voicemail of his inability to meet with me.

The thrust of the Department's letter is that the Special Privilege to which the Substitute Resolution pertains was issued on the condition that "the Kurth family would prepare and present a plan for the development of the property". As I indicated during the hearing on November 22nd, that is incorrect. This Special Privilege emanated out of a petition for the vacation of the unnamed street. When it became apparent that the Department of City Development wished to preserve the use of the subject unnamed street for access to a riverwalk for future development on this side of the river, Plant Two Corporation proposed that it be granted a special privilege to use said unnamed, and unused, street. That would enable Plant Two Corporation to generate some additional income from its ownership of its adjacent property (Plant Two also generates some income from the lease of dock space). Issuance of a special privilege would also provide the City with modest additional fee revenue.

As I perceived matters in 2003, the primary concern of the Department of City Development was that issuance of this privilege not interfere with any development that

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might otherwise occur on this portion of the riverfront. It was for this reason that the special privilege was drafted to expire on September 30, 2005. The resolution granting the special privilege also expressly provides "if development plans for the abutting lands occur earlier (than September 30, 2005), then upon implementation of those plans, the legislation shall expire earlier". That language does not require Plant Two Corporation to prepare or present a plan for the development of its property. Further, the special privilege contains six express conditions, none of which make any reference to the development of abutting property.

On April 11, 2003, I received a voicemail from Tom Miller advising that he had been advised by Harry Stein, an attorney for the City of Milwaukee, that the special privilege approach appeared to be workable and advising that the next step for Plant Two Corporation was to contact Ron Sweet to begin the application process. This was done, and the August 4, 2003, Special Privilege is the product of that application.

The November 21, 2005, letter states "the property . . . is dilapidated, unimproved, a home for vagrants, and target of vandalism. Its dock wall is deteriorating." Admittedly, this property has been mothballed for the entire period of its ownership by Plant Two Corporation. The only use of the property has been the lease of its river frontage. Further, during the period the subject Special Privilege has been in effect, I have not been informed of any incident of vagrancy or vandalism relating to this property, nor am I aware of any representative of Plant Two Corporation who has been so informed. With respect to its dockwall, it consists of interlocking sheet piling that, to my knowledge, is in good condition.

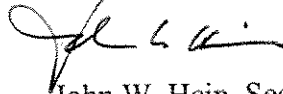
Finally, the November 21, 2005, letter states "just prior to this initial approval, a portion of the property burned several times and was ultimately demolished under an agreement negotiated by the City Attorney". There was a fire in February that ultimately resulted in the demolition of the buildings located on 318 South Water Street. In March 1995 the prior owner of 338-348 South Water Street contracted with Hunzinger Construction Company to mothball the building on that property by installation of 8" concrete block in the three doors to the building and installation of wire screen on all ground floor windows that were not already entry-proof.

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Plant Two Corporation acquired 338-348 South Water Street in December 1998, and has been its sole owner ever since.

Yours very truly,

PLANT TWO CORPORATION

A handwritten signature in black ink, appearing to read "John W. Hein". The signature is written in a cursive style with a large initial "J".

John W. Hein, Secretary

JWH/jc

cc: Mr. Rocky Marcoux, Commissioner
Department of City