

LAND DISPOSITION REPORT

COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

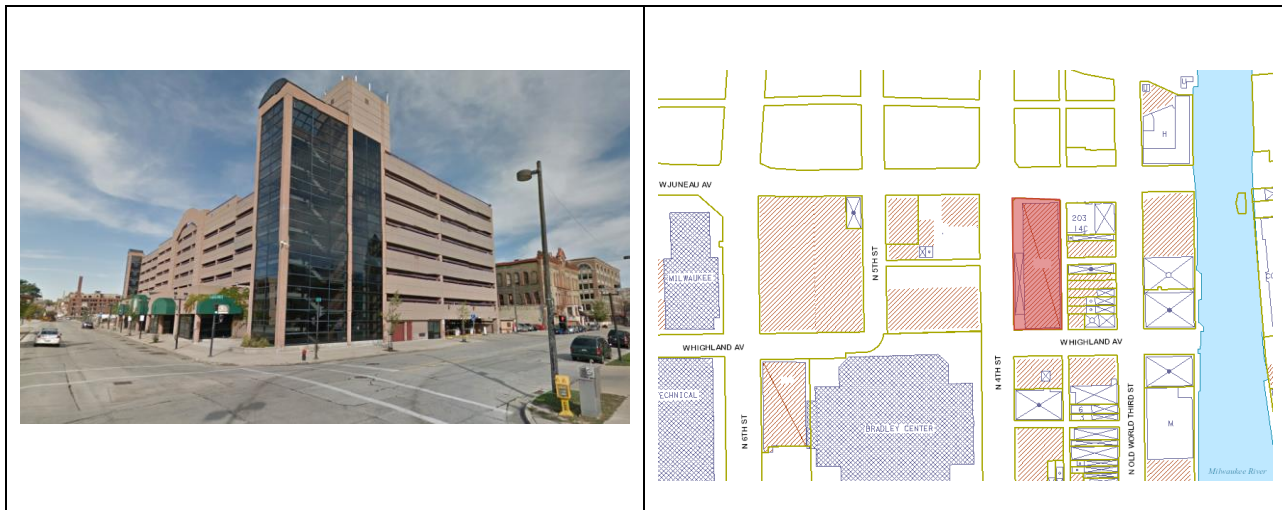
September 1, 2015

RESPONSIBLE STAFF

Rocky Marcoux, Commissioner of the Department of City Development

PARCEL ADDRESS AND DESCRIPTION

324 West Highland Avenue (the "Property") consists of a 980-stall parking structure and approximately 12,000 S.F. of first floor retail space. The Property was constructed by the City of Milwaukee in 1988 in conjunction with the construction of the Bradley Center. The Property is located within the Westtown neighborhood, just south of the Park East corridor.



City Property

BUYER

Milwaukee Bucks, LLC (the "Bucks") or an affiliate (the "Buyer"). The members of the Milwaukee Bucks, LLC have significant real estate development and investment experience around the country. The team includes Jamie Dinan of York Capital, Wes Edens of Fortress Investment Group, LLC, Mike Fascitelli of Vornado Realty Trust and Marc Lasry of Avenue Capital Group.

PROJECT DESCRIPTION

The Property is part of the new downtown arena and ancillary development proposed by the Bucks (the "Project"), further described in the Project Plan and Term Sheet attached to Common Council File No. 150383. The Bucks are proposing to build a new, modern arena for the Milwaukee Bucks and other sporting, music and live entertainment events, a new parking structure and a plaza at an estimated cost of \$500 million.

On blocks surrounding the new arena, the Bucks are proposing to build a new training/practice facility for the Bucks, up to 250,000 S.F. of office space, 250,000 S.F. of retail space, a 300-room hotel, 650 apartment units, 72 student housing units and associated parking estimated to cost an additional \$500 million. This proposed investment includes a 60,000 S.F. retail and entertainment development on the site of the Property directly across the Plaza from the Bucks Arena.

PURCHASE TERMS AND CONDITIONS

The conveyance will be on an "as is, where is" basis, and the Buyer will be required to address environmental concerns, if any. The Property will be transferred by quit claim deed per the Term Sheet attached to Common Council File No. 150383.

Due Diligence Checklist
Address: 324 West Highland Avenue

The commissioner's assessment of the market value of the property.	The Property at 324 West Highland Avenue is being sold "as is, where is," without any guarantees. An appraisal by The Nicholson Group LLC, dated February 23, 2015, estimated the value of the Property at \$7,400,000.
Full description of the development project.	Please see the Project Plan and Term Sheet attached to Common Council File No. 150383.
Complete site, operations and landscaping plans and architectural renderings for new construction or redevelopment.	The Project is subject to future General Planned Development and/or Detailed Planned Development approval of final design.
Developer's development project history.	The members of the Milwaukee Bucks, LLC have significant real estate development and investment experience around the country. The team includes Jamie Dinan of York Capital, Wes Edens of Fortress Investment Group, LLC, Mike Fascitelli of Vornado Realty Trust and Marc Lasry of Avenue Capital Group.
Capital structure of the project, including sources, terms and rights for all project funding.	Please see the Project Plan and Term Sheet attached to Common Council File No. 150383.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	General real estate market conditions, ability to lease proposed space in the Project and obtaining all financing.
Tax consequences of the project for the City.	The Property will be subject to a Payment in Lieu of Taxes ("PILOT") agreement if any portion, other than the Live Block Plaza, were to become tax-exempt. Please see the Project Plan and Term Sheet attached to Common Council File No. 150383 for further information.