

**Rev. 1.1**

**PROJECT PLAN**

**TAX INCREMENTAL DISTRICT NO. 73**

**CITY OF MILWAUKEE**

**(City Lights Project)**

**Public Hearing Held: May 21, 2009**

**Redevelopment Authority Adopted : May 21, 2009**

**Common Council Adopted:**

**Joint Review Board Approval:**

**I. DESCRIPTION OF PROJECT**

**A. Introduction**

Section 66.1105(4)(d), Wis. Stats. Requires the "preparation and adoption of a project for each tax incremental district." This Project Plan is submitted in accordance with this statutory requirement.

**B. District Boundaries & Compliance with Statutory Eligibility Criteria**

Tax Incremental District No. 73, City of Milwaukee ( the " District") consists of a 22.8 acre site located at N. 25<sup>th</sup> Street and W. Mt. Vernon St. The property consists of three parcels, all owned by Giuffre I, LLC and Giuffre VIII, LLC. The District is shown on Map 1, "Boundary and Existing Land Use," and described in Exhibit 5, "Boundary Description." The entire District is now located within Tax Incremental District No. 53 (Menomonee Valley Industrial Center).

The District is presently zoned Planned Development. The site is now largely used for warehousing, entertainment (skateboard park) and trucking. The property had been used by the Wisconsin Gas Light Company, a predecessor to the Wisconsin Gas Co. (now owned by WE Energies), where it manufactured coal gas for "gas lights" used before the widespread use of electric lights. Several buildings on the site were constructed in 1901-03. Four large gas storage bladders once occupied an adjacent site and were removed from what is now the right-of-way of I-94. The site is occupied by buildings totaling approximately 99,000 s.f., including one which has a turret that can be seen prominently from I-94. All buildings have had marginal uses in previous decades, and the site has undergone environmental remediation from contamination caused by the coal-gas production process. About one-half of the site is used for truck marshalling.

Given the condition of the facility, the District satisfies the requirements of Wis. Stats. Sec 66.1105(4){gm}(4)(a) as being a "in need of rehabilitation and conservation work, as defined in Sec. 66.1337 {2m}(b)." All of District meets this requirement. See Exhibit 1 and Map 2.

In addition, less than 25% of the District consists of "vacant" property, as provided in Sec. 66.1105(4)(gm){1}. See Exhibit 1.

### **C. Project Plan Goals and Objectives**

Goals and objectives for the District are:

1. To renovate the existing buildings in the District for office and commercial purposes, increasing employment at this location, and adding tax base. Specifically, five buildings on the western portion of the site, owned by Giuffre VIII, LLC and totaling 70,600 s.f. are to be converted to 98,000 s.f. of office and "flex" space for small businesses. See Exhibit 1A for a breakdown of this space by building.
2. As an initial phase, convert the former "Retort Building" to approximately 43,000 s.f. of office area for Zimmerman Architectural Studios, Inc. This project will restore the building's façade to a state much closer to its original condition. New windows will be installed based on the configuration of the originals. The façade will be cleaned, tuck-pointed and restored in a manner consistent with the Dept. of Interior's historic restoration standards. This high-bay industrial building of 26,400 s.f. will be expanded to approx. 43,000 s.f. by the addition of a mezzanine.
3. To redevelop the land east of the above buildings with office and / or manufacturing buildings. There are approx. 30,000 s.f. of buildings on this portion of the site which are primarily used for truck maintenance.
4. To extend the City's Riverwalk System, thus increasing public access to the Menomonee River which is the south boundary of the District.

### **D. Existing Land Uses and Conditions in the District**

As discussed above, the District consists of 22.8 acres and contains 100,000 s.f. of underutilized manufacturing and warehouse buildings. The District has access to N. 25<sup>th</sup> Street via a private ramp. There are no public streets and limited utilities within the District.

The District is bounded on the south by the Menomonee River and on the north by RR tracks.

The predominant uses in the District include warehousing, a skateboard park and a trucking terminal. At present, there is no access to the city street system from the north or east.

## **II. PROJECT PLAN PROPOSALS**

### **A. The following is a description of the kind, number, and location of all proposed Public Works or Improvements within the District:**

1. In order to provide access to, and utilities within, the District, it is proposed that a public street be extended into the Site as shown on Map 3. The street would extend for

approximately half the length of the entire site, and provide service the existing buildings on the property. Sanitary sewer service will be upgraded, including the installation of a lift station. Storm sewer service will also be upgraded with catch-basins to collect stormwater. Portions of site run-off will first be run through biofiltration areas and rain gardens before entering catch basins. New water and gas connections will be required to tie into existing service on the site.

The owner of this portion of the site, Giuffre VIII, LLC will dedicate the right-of-way for this street extension.

2. To increase public access to the Menomonee River, it is proposed that 3,793 linear feet of public walk be constructed along the south boundary of the district. This public walk will be integrated into the design of public street, creating both pedestrian and vehicular activity along the Menomonee River in an effort to promote public access to the river. A public access easement will be granted to the City for the approximately thirty (30) foot wide area between the public walk and the edge of the river.
3. Eventually extend the public street to connect with 17<sup>th</sup> street on the eastern end of the District.

**B. The following is an estimate of the project costs to be implemented as part of this Project Plan; see Exhibit 2 for detail.**

<b>TASK</b>	<b>ESTIMATED COST</b>
<b>Construction of public street and utilities</b>	<b>\$2,171,500 Initial phase</b>
<b>Riverwalk / Sidewalk</b>	<b>45,500</b>
<b>Contingency</b>	<b>221,000 10%</b>
<b>Administration</b>	<b>100,000</b>
<b>Total Capital Cost, Initial Phase</b>	<b>2,538,000</b>
<b>Less: City Contribution</b>	<b>(500,000)</b>
<b>NET PROJECT CAPITAL COSTS</b>	<b>2,038,000 Initial phase</b>
<b>Estimated Interest</b>	<b>1,835,000</b>
<b>TOTAL PROJECT COSTS</b>	<b>\$3,873,000</b>
<b>Future extension of street to 17<sup>th</sup> St.</b>	<b>\$2,000,000 (requires future City approval)</b>

As shown in the above table, the City will make a contribution to project costs in order to supplement funding from the TID. Should the TID demonstrate an ability to recover an amount greater than \$2,038,700 the City may be able to recover this up-front contribution.

Given that this overall development will take place stages, and given that the initial phase of the public street will have to be constructed at the outset, the developer(s) will be required to provide a guarantee of incremental revenue sufficient to amortize the TID capital costs of \$2,038,700.

Funding for the future extension of the proposed street to N. 17<sup>th</sup> street will be subject to subsequent approval by the City and be conditioned on, among other matters, incremental revenue being sufficient to amortize all of the City's past and future costs in the District.

The costs included in this subsection, without limitation hereof because of enumeration, are claimed as eligible Project Costs as defined under Wis. Stats. Sec. 66.1105(2)(f) and may be incurred directly by the City, or by the Redevelopment Authority of the City pursuant to a grant or cooperation agreement with the City, pursuant to Wis. Stats. Sec.66.1105(2)(f)(1)(h).

**C. Project financing and timetable for expenditures:**

All expenditures for the Initial Phase of street extension are expected to be incurred in 2009-2010. The expansion of the street is expected to be implemented in 2013, or later.

The City expects to issue general obligation bonds to finance the Project Costs.

**D. List of Estimated Non-Project Costs:**

Estimated costs of redeveloping the Retort Building are shown in Exhibit 2

**E. Proposed Method of Relocating any Persons to be Displaced:**

No persons or businesses are to be displaced.

**F. Statement Indicating How District Creation Promotes Orderly Development:**

The Project Plan for the District anticipates the redevelopment of 99,000 s.f. of underutilized warehouse space by converting it to office and related uses. In addition, an unspecified amount of additional office and / or manufacturing space will be built on the eastern portion of the Site, which is currently vacant and used for truck marshalling. The first tenant in the project, Zimmerman Design Studios, will bring 121 full-time employees to this location. Conversion of the remaining existing buildings, is expected to accommodate up to 90 additional employees. The project, therefore, adds employment opportunities to the community as well as tax base.

**G. Proposed changes of zoning ordinances, master plan, if any, map, building codes and city ordinances:**

The zoning for the District is currently Planned Development. The zoning is not planned to be changed.

## **APPENDIX List of Exhibits**

Map 1: Map of Boundary and Existing Land Use

Map 2: Map of Site and Structure Condition

Map 3: Map of proposed improvements

Exhibit 1: Parcel listing and calculation of percent "in need of rehabilitation or conservation" and "vacant."

Exhibit 1A: Estimated s.f. of redeveloped buildings on site owned by Giuffre VIII, LLC

Exhibit 2: Project budget

Exhibit 3: Development Agreement / Terms of Grants or Loans

Exhibit 4: Economic Feasibility Study

Exhibit 5: Metes and Bounds description of District boundary.

Exhibit 6: City Attorney's opinion.

**TID**  
**City Lights**  
**Map No. 1**  
**Boundary and Existing Landuse**

Land Use



TID Boundary



Commercial Property



Produced By: City Development Information Center, AT  
 Department of City Development Information Center, AT  
 Project #1: 9.36251/Projects/TID09/City Lights  
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 Map File:  
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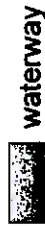


0 275 550 1,100 Feet



**TID**  
 City Lights  
 Map No. 2  
 Structure Conditions

**Legend**



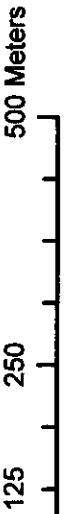
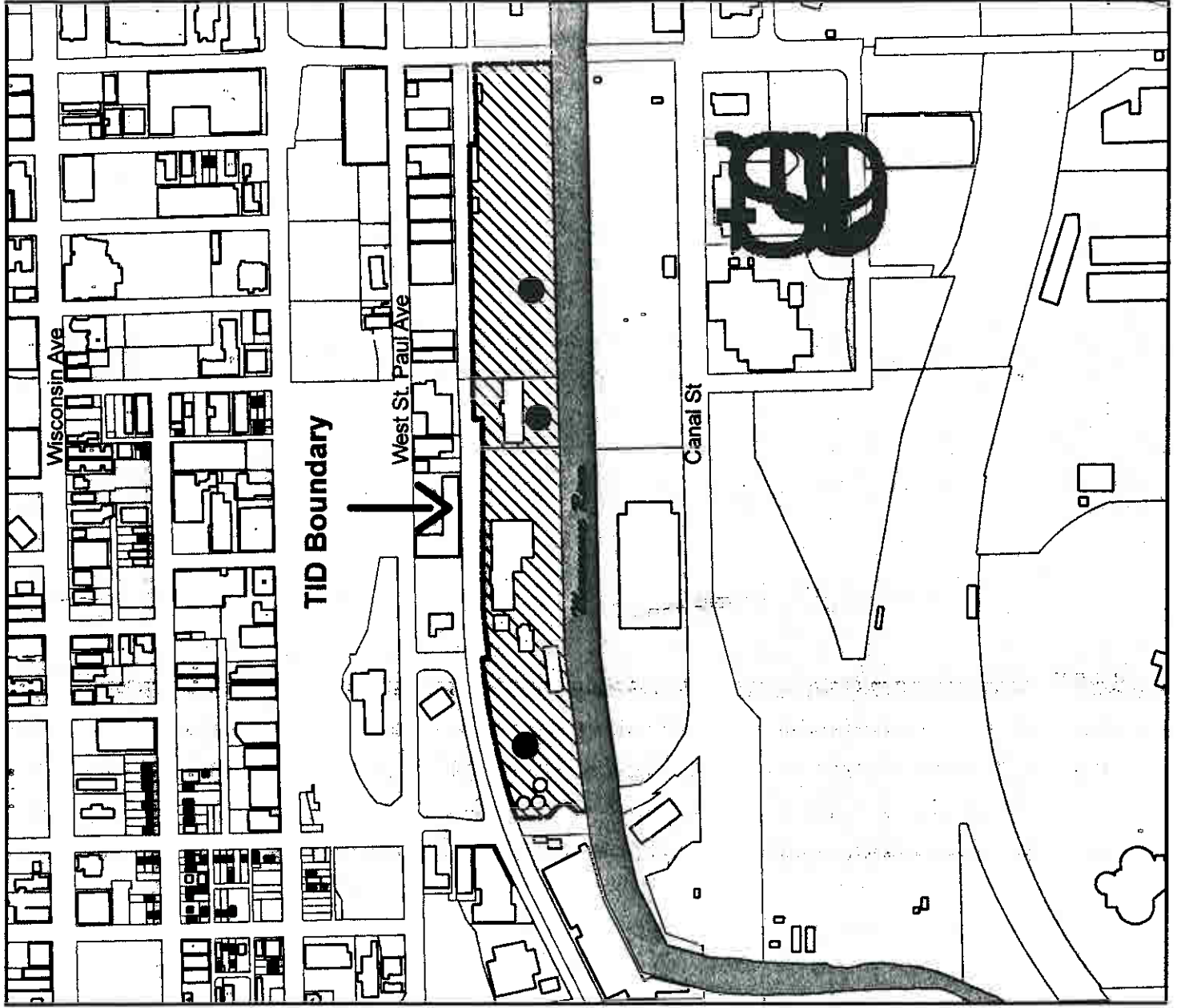
waterway



TID boundary

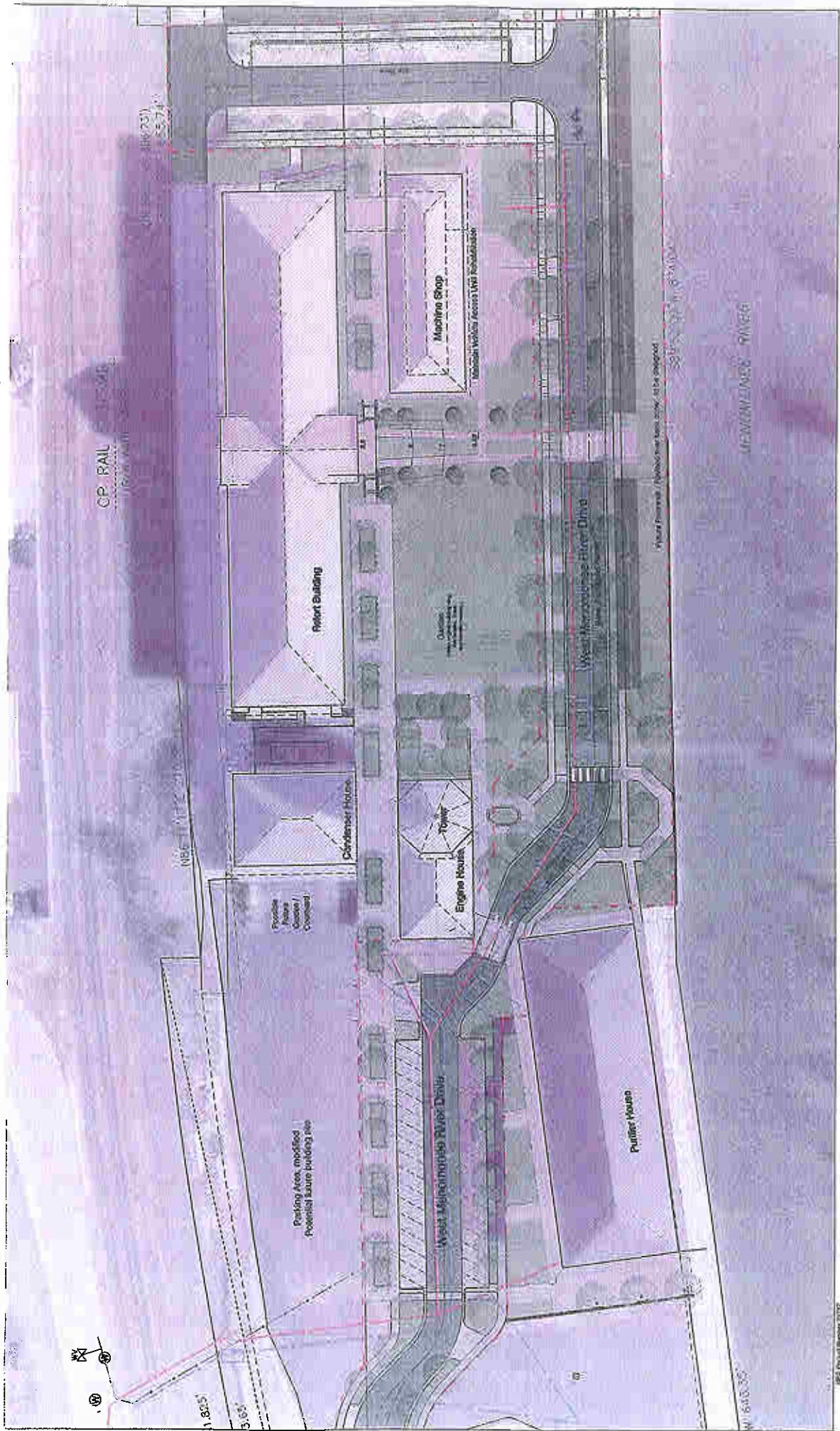


IN NEED OF CONSERVATION  
 AND REHABILITATION



Source: Department of City Development 2009

# MAP 3

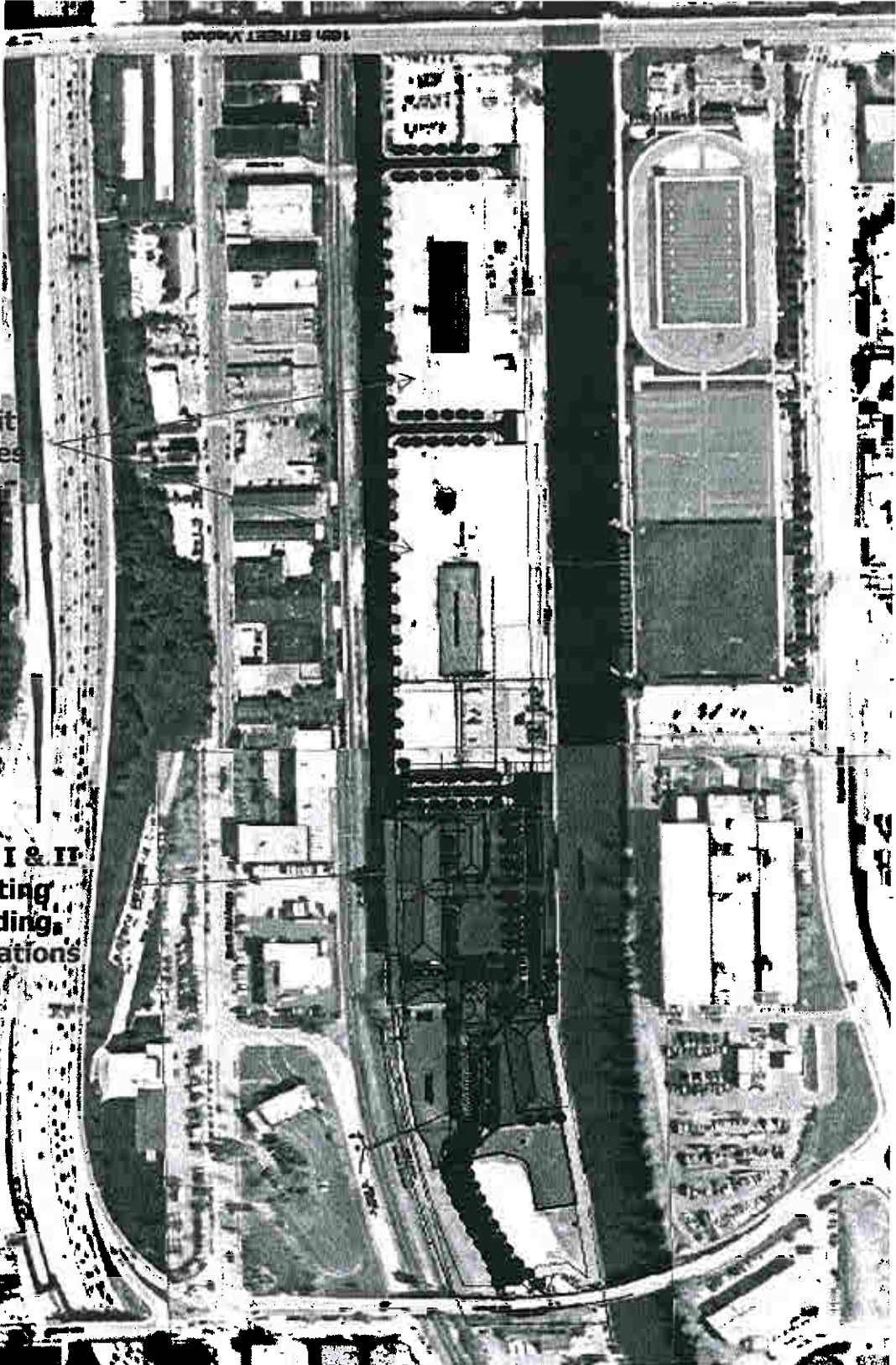


Site Plan: Parallel Parking  
 West End Historic Building Complex  
 10/12/2011 8:00 AM

Milwaukee City Lights  
 Milwaukee, Wisconsin

Zimmerman  
 ARCHITECTURAL STUDIO, INC.  
 7707 Lincoln Avenue - Milwaukee, WI 53212 - 414.881.1000





**Phase III  
Build to Suit  
Opportunities**

**Phase I & II  
Existing  
Building  
Renovations**

**Proposed Site Plan**

Exhibit 1: Parcel Listing and % In Need of Conservation and Rehabilitation, and % Vacant.											
PARCEL KEY	TAX KEY	OWNER_NAME_1	ADDRESS	ASSESSMENTS:		TOTAL	LOT AREA S.F.	AREA CONSERV. & REHAB.	AREA VACANT	BUILDING AREA S.F.	
				LAND	IMPROVE.						
1	4009995117	GIUFFRE VIII LLC	200 N 25TH	ST	1,282,500	717,500	2,000,000	446,926	446,926	0	70,613
2	4009995118	GIUFFRE I LLC	2001 W MT VERNON		284,100	308,900	593,000	99,012	99,012	0	22,610
3	3980906111	GIUFFRE I LLC	1601 W MT VERNON		1,281,300	91,800	1,373,100	446,490	446,490	129,100	7,291
				Total	2,847,900	1,118,200	3,966,100	992,428	992,428		100,514
				%				100%		13%	
Note: Replacement cost of buildings on Parcel 1 is greater than the FMV of the land											
Exhibit 1A : Estimated S.F. of Buildings on site owned by Giuffre VIII, LLC [ See Map 3 for locations of buildings]											
Building	Dimension	S.F.	With								
Purifier Hse.	79	223	17,617	28,725							
Engine Hse	50	107	14,000	14,000	6 stories						
Condenser Hse	63	83	5,229	5,229							
Retort Bldg.	347	76	26,372	43,000							
Machine Shop	51	145	7,395	7,395							
			70,613	98,349							

**EXHIBIT 2**  
**PROJECT BUDGET**

<b>City Lights</b>				Revised 04-28-09 by TBO (w/City costs)			
Milwaukee, Wisconsin							
<b>Preliminary Opinion of Probable Cost</b>			Qty.	Unit	Unit Cost	Total Cost (\$)	Revised per DPW
<b>Public Right-of-Way Items Only</b>							
<b>Sewer and Water Utilities</b>							
8" Watermain (D.I.)	1,075	LF	\$154.00			\$165,550	
6" Watermain (D.I.)	320	LF	\$100.00			\$32,000	
Viton Gaskets for Watermain	1	LS	\$10,000.00			\$10,000	
Fire Hydrant with auxiliary valve	5	EA	\$3,000.00			\$15,000	
8" Gate valve	2	EA	\$2,000.00			\$4,000	
Service Valves	4	EA	\$1,000.00			\$4,000	
Watermain Directional Boring/Auger & Case	100	LF	350.00			\$35,000	
Watermain testing and Sampling	1	LS	\$1,200.00			\$1,200	
6" Sanitary Sewer Main (PVC)	197	LF	100.00			\$19,700	
8" Sanitary Sewer Main - Class C Bedding	1,200	LF	300.00			\$360,000	
Sanitary Manhole (48")	5	EA	5,000.00			\$25,000	
Sewer Manhole Castings	5	EA	175.00			\$875	
Sanitary Directional Boring/Auger & Case	100	LF	450.00			\$45,000	
Sanitary Lift Station w/Valve Vault	1	EA	150,000.00			\$150,000	
Generator Set	1	EA	25,000.00			\$25,000	
Sanitary testing	1	LS	2,600.00			\$2,600	
Barricading	1	LS	7,000.00			\$7,000	
Sewer Exams by CCTV - Post Construction	1,300	LF	6.00			\$7,800	
<b>Sewer and Water Utilities Sub-total</b>						<b>\$909,725</b>	<b>\$1,325,000</b>
<b>Grading and Restoration</b>							
Item	Qty.	Unit	Unit Cost			Total Cost (\$)	see below
Construction Entrance	1	EA	3,000.00			\$3,000	
Cut/Fill (Onsite)	4,000	CY	4.00			\$16,000	
Cut Material and Export offsite*	4,000	CY	20.00			\$80,000	
Import Fill (structural)	0	CY	30.00			\$0	
Export Excess Fill (pulverized pavement)*	4,000	CY	20.00			\$80,000	
<b>Grading and Restoration Sub-total</b>						<b>\$179,000</b>	<b>\$179,000</b>
*These items are estimates only, actual quantity may vary in field							
<b>Stormwater and Drainage</b>							
Item	Qty.	Unit	Unit Cost			Total Cost (\$)	
6" Perforated Storm Sewer	408	LF	35.00			\$14,280	
10" Storm Sewer (PVC)	239	LF	60.00			\$14,340	
12" Storm Sewer (PVC)	450	LF	80.00			\$36,000	
15" Storm Sewer (PVC)	415	LF	97.00			\$40,255	
18" Storm Sewer (PVC)	138	LF	115.00			\$15,870	
Catch Basin	24	EA	3,500.00			\$84,000	
Storm Manhole	1	EA	2,500.00			\$2,500	
Silt Fence	1,000	LF	2.50			\$2,500	
Erosion Control Matting (Class 1; Type A)	600	SY	4.00			\$2,400	
Erosion Control Matting (Permanent)	0	SY	8.00			\$0	
Ditch Checks	0	EA	25.00			\$0	
Inlet Sediment Guards	24	EA	100.00			\$2,400	
<b>Stormwater and Drainage</b>						<b>\$214,545</b>	In sewer est.

<b>Paving and Roadway</b>				Unit	Total	
Item	Qty.	Unit	Cost	Cost (\$)		
Asphalt-Heavy Duty Pavement Section (5")	1,123	Ton	68.00	\$76,364		
Aggregate Base Course (12" installed)	2,597	Ton	25.00	\$64,925		
Pulverize Existing Pavement	14,432	SY	3.00	\$43,296		
Concrete Curb and Gutter	3,184	LF	15.00	\$47,760		
Concrete Walkways	10,039	SF	4.50	\$45,176		
Concrete Pavement (Parking Areas)	1,500	SY	40.00	\$60,000		
Concrete Pavement (Decorative)	900	SF	16.00	\$14,400		
Handicap Truncated Domes (for ramps)	2	EA	400.00	\$800		
Handicap Signs	3	EA	150.00	\$450		
Other Signs	3	EA	150.00	\$450		
<b>Paving and Roadway Sub-total</b>				<b>\$353,621</b>	<b>\$275,000</b>	
<b>Landscape</b>				Unit	Total	
Item	Qty.	Unit	Cost	Cost (\$)		
Topsoil import & Spread in Turf Areas (12" Depth)	800	CY	\$35	\$28,000		
Engineered Soil backfill in Biofiltration areas (3" Depth)	720	CY	\$25	\$18,000		
Structural Topsoil in Tree Pits (4' Sq x 4' Depth)	290	CY	\$35	\$10,150		
Tree Grates	12	EA	\$1,500	\$18,000		
Shade Trees (3" Cal.)	42	EA	\$450	\$18,900		
Turf (Sod)	2,700	SY	\$7	\$18,900		
Biofiltration Plantings	6,000	SF	\$5	\$30,000		
<b>Landscape Sub-total</b>				<b>\$2,057</b>	<b>\$141,950</b>	<b>\$141,000</b>
<b>Other Items</b>				Unit	Total	
Item	Qty.	Unit	Cost	Cost (\$)		
City Sanitary Dept. Engineering and Inspection	1	LS	47,825.00	\$47,825		
City Water Dept. Engineering and Inspection	1	LS	30,270.00	\$30,270		
Soil Borings (pre-construction)	1	LS	7,000.00	\$7,000		
Geotechnical Observation and Testing (during construction)	1	LS	8,000.00	\$8,000		
Light poles	32	EA	\$3,000	\$96,000		
Riverwalk	3793	LF	\$12	\$45,516		
<b>Other Items Sub-total</b>				<b>\$234,611</b>	<b>\$201,000</b>	
Fire and Police Communication						<b>\$96,000</b>
*These items are estimates only, actual quantity may vary in field						
<b>Sub-total Construction Costs =</b>				<b>\$2,033,452</b>	<b>\$2,217,000</b>	
<b>Contingency =</b>				<b>\$305,018</b>	<b>\$221,700</b>	
<b>Total Preliminary Opinion of Probable Cost =</b>				<b>\$2,338,469</b>	<b>\$2,438,700</b>	

**SPL Beverly, LLC**  
 5150 North Port Washington Road, Suite #151 Milwaukee WI. 53217  
 COMMERCIAL REAL ESTATE SERVICES

## Project Budget (BID) Analysis City Light Development-"Retort Building"

Project: Retort Building City Lights  
 Owner: Gluffre XII, LLC  
 Address:  
 Date: 6.22.09

Description: Building Renovation  
 USF: 43,000 GSF  
 Area of Work: 1st Floor and Mezz  
 Estimated Construction Duration: 8 months

Division #	Description	Sub Contractor	Unit	Cost	Qty	Totals
			Unit	Cost	Qty.	Bid
<b>DIVISION 00 + 01</b>	<b>Bidding Requirements, Contract Forms, and Conditions of the Contract</b>					
700	General Overhead			\$0.00		\$ -
710	Permits - Building, Street, Sidewalk	See Development Bgt		\$0.00	0	\$ -
720	Waste Removal / Dumpsters	See Development Bgt		\$0.00	0	\$ -
730	Site Safety & Security	See Development Bgt		\$0.00		\$0.00
740	Onsite Toilet	See Development Bgt		\$0.00		\$0.00
750	Printing	See Development Bgt		\$0.00	0	\$ -
760	Soil Testing	See Development Bgt		\$0.00		\$0.00
770	Concrete Testing	See Development Bgt		\$0.00		\$ -
780	Site Cleaning / Street sweeping	See Development Bgt		\$0.00	0	\$ -
790	Surveying	See Development Bgt		\$0.00		\$0.00
795	Abatement	See Development Bgt				\$ -
800	Supplementary Conditions - Bonding	See Development Bgt				\$ -
1010	Architectural Services	See Development Bgt		\$0.00	0	\$ -
1020	Structural Engineering Services	See Development Bgt		\$0.00		\$0.00
1040	Administrative + Contract Documents	See Development Bgt		\$0.00	0	\$ -
1040	Coordination & Supervision	See Development Bgt		\$0.00	0	\$ -
1500	Construction Facilities and Temporary Controls	See Development Bgt				\$ -

**TOTAL \$ -**



DIVISION 02	Site Work	Unit	Cost	Qty.	Bid
2010	Subsurface Investigation				
2050	Demolition	BID	\$33,000.00	1	\$ 33,000.00
2100	Site Preparation (front area ceiling)	Budget	\$0.00	1	
2150	Shoring + Underpinning				
2200	Earthwork + Excavation				
2500	Paving + Surfacing		\$35,000.00		\$ 35,000.00
2600	Utility Piping (Underground)		\$25,000.00		\$ 25,000.00
2840	Gas Service				
2850	Electrical Service				
2900	Landscapping	BID	\$45,000.00		\$ 45,000.00
<b>TOTAL</b>					<b>\$ 138,000.00</b>

DIVISION 03 + 04	Concrete + Masonry	Unit	Cost	Qty.	Bid
3300	Cast in Place Concrete				
3310	Concrete	BID	\$309,113.00		\$ 309,113.00
3500	Cementitious Decks and Toppings	BID	\$45,383.00	1	\$ 45,383.00
3600	Concrete Sawing and Coring				
3700	Concrete Restoration and Cleaning				
4200	Unit Masonry				
4500	Masonry Restoration and Cleaning		\$106,000.00		\$ 106,000.00
<b>TOTAL</b>					<b>\$ 460,496.00</b>

DIVISION 05	Metals	Unit	Cost	Qty.	Bid
5100	Structural Metal Framing	BID	\$610,000.00		\$ 610,000.00
5100	Steel Erection	In above #			
5400	Cold-Formed Metal Framing	In above #	\$0.00	1	\$ -
5700	Ornamental Metal Work	In above #	\$0.00	1	\$ -
<b>TOTAL</b>					<b>\$ 610,000.00</b>

DIVISION 06	Woods + Carpentry	Unit	Cost	Qty.	Bid
6100	Rough Carpentry	Bid	\$155,000.00	1	\$ 155,000.00
6100	Finish Carpentry Interior	Bid	\$353,000.00	1	\$ 353,000.00
6100	Finish Carpentry Exterior				
6100	Finish Carpentry - Door + hardware installation		\$0.00	0	\$ -
6500	Architectural woodwork		\$100.00	0	\$ -
<b>TOTAL</b>					<b>\$ 508,000.00</b>

**DIVISION 07 Thermal and Moisture Protection**

	Unit	Cost	Qty.	Bid
7190 Vapor Retarders				\$ -
7200 Insulation - Batt		\$0.00	1	\$ -
7210 Insulation - Board				\$ -
7250 Fireproofing				\$ -
7500 Membrane Roofing				\$ -
7500 Membrane Roofing - Temporary water proofing.				\$ -
7600 Sheet Metal Flashing (front window)	Bid	\$501,000.00	1	\$ 501,000.00

**TOTAL \$ 501,000.00**

**DIVISION 08 Doors and Windows**

	Unit	Cost	Qty.	Bid
8100 Metal doors frames			13	\$ -
8200 Wood doors			13	\$ -
8250 Door opening assemblies				\$ -
8400 Store Front assemblies				\$ -
8600 Wood + Plastic Windows				\$ -
8650 Glazing - Interior	SF			\$ -
8700 Hardware	Ea	\$0.00	13	\$ 24,000.00
8700 Toilet + Bath accessories				\$ -
8800 Glazed Curtain Walls	Bid	\$655,000.00		\$ 655,000.00

**TOTAL \$ 679,000.00**

**DIVISION 09 + 10 Finishes + Specialties**

	Unit	Cost	Qty.	Bid
9250 Gyp Board Assemblies	In Finish Carp #	\$0.00		\$0.00
9300 Tile				\$ -
9400 Suspended ceilings				\$ -
9500 Building Carpet				\$ -
9550 Wood Flooring				\$ -
9650 Resilient Flooring				\$ -
9900 Painting		\$65,000.00		\$ 65,000.00
9950 Wall covering				\$ -
10050 All flooring categories				\$ 100,600.00

**TOTAL \$ 165,600.00**

**DIVISION 11 + 12 Equipment + Furnishings**

	Unit	Cost	Qty.	Bid
11100 Appliances				\$ -
11100 Appliance Installation				\$ -
12200 Draperies	In Carpentry #	\$0.00	1	\$ -
123400 Cabinetry Lower - Plastic Laminate	In Carpentry #	\$0.00	128	\$ -
123400 Cabinetry Uppers - Plastic Laminate	In Carpentry #	\$0.00		\$ -
123600 Counters - Plastic Laminate	In Carpentry #	\$0.00	128	\$ -
6500 Cabinetry	In Carpentry #	\$0.00	1	\$ -
6500 Elevator	BID	\$56,000.00	1	\$ 56,000.00

**TOTAL \$ 56,000.00**

**DIVISION 21-23 Mechanical + Plumbing**

	Unit	Cost	Qty.	Bid
2100	Bid	\$89,750.00		\$89,750.00
22000	Bid	\$586,000.00	1	586,000.00
23000	Bid	\$90,080.00	1	90,080.00

**TOTAL \$ 765,830.00**

**DIVISION 26-28 Electrical**

	Unit	Cost	Qty.	Bid
26000	Bid	\$511,000.00	1	511,000.00
26000	Bid	\$241,000.00	1	241,000.00
27000		\$0.00	1	-
27000		\$0.00	1	-

**TOTAL \$ 752,000.00**

<b>SUB CONTRACTS</b>	\$	<b>4,636,926.00</b>
<b>CONTINGENCY</b>	\$	<b>192,000.00</b>

<b>SUBTOTAL</b>	\$	<b>4,827,926.00</b>
<b>P+O</b>	0.0%	\$ -

<b>TOTAL</b>	\$	<b>4,827,926.00</b>
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<b>PSF</b>		<b>112.28</b>
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**CONTINGENCY TOTALS**


## EXHIBIT 3

### TERM SHEET

#### City Lights Public Infrastructure/Riverwalk Development Agreement TID - 73

**Project Description:** Giuffre VIII, LLC, proposes the conversion of existing warehouse-style buildings for office and commercial purposes. The initial phase of the project will convert the former Wisconsin Gas Light Co. Retort Building at 200 N. 25<sup>th</sup> St. into approximately 43,000 square feet of office area for Zimmerman Architectural Studios, Inc. In addition, Developer will convert four other buildings on the Site (the Purifier House, the Engine House, the Condenser House and the Machine Shop) into approximately 55,000 square feet of leaseable office and commercial space. Collectively, the renovation and conversion of the five buildings on the Site shall be referenced as the "Private Project." The initial phase of the Private Project will restore the Retort Building façade to a state much closer to its original condition. New windows will be installed based on the configuration of the originals. The façade will be cleaned, tuck-pointed and restored in a manner consistent with the Department of the Interior's historic restoration standards.

A new public street, public walk and utilities (the "Public Project") will be constructed by City to serve the Private Project.

Developer will dedicate the right-of-way or grant easements necessary for the Public Project. At City's option and upon City's request Developer shall construct the Public Project. Developer shall also indemnify City or cause City to be indemnified by a reasonably acceptable entity for costs incurred to remediate environmental conditions within any dedicated right-of-way.

Existing utilities serving the Site are not functioning at necessary levels and must be replaced entirely. A new sanitary lift station, in conjunction with a sanitary & storm sewer and a water main will serve the Private Project. The newly constructed underground City utilities, public street, public walk and related public infrastructure such as lighting will be located within dedicated right-of-way or easements the details of which shall be detailed in the Development Agreement.

As the Site is located along the Menomonee River, a public walk will be built along the river frontage associated with the initial phase of the Private Project, extending for approximately 450 linear feet. The public walk will be an outdoor space open to the general public. The new public street will be integrated into the Public Project design, creating both pedestrian and vehicular activity along the Menomonee River in an effort to promote the public access to the river frontage. A public access easement will be granted to City for the approximately thirty (30) foot wide area between the public walk and the edge of the river.

**Tax Increment District Project Plan:** City shall create a Tax Increment District ("TID-73") to partially fund the Public Project as outlined below.

**Developer:** Developer is Giuffre VIII, LLC

**Site:** The entire area included in TID-73.

**Project Budget:** See TID-73 Project Plan, Exhibit 2

**Completion Guaranty:** Developer shall provide City with a guaranty of completion of the initial phase of the Private Project (the "Developer Guaranty"). The Developer Guaranty shall be a recourse obligation secured by a mortgage on the Site running to City.

**Guaranty of Tax Incremental Revenue:** Developer shall guaranty that the incremental revenue realized annually from Tax Incremental District 73 shall be as set forth in the Forecast of District Cash Flow included in the TID 73 Project Plan.

Should actual incremental revenue received by the City from the District be less than the Forecast of District Cash Flow, in any given year (terminating in 2036), Developer shall pay such shortfall to the City by February 1<sup>st</sup> of that year.

Developer's obligation to make such payments shall be a recourse obligation secured by a mortgage, reasonably acceptable to Developer's lender(s), on the Site. City shall also have the option to assess Developer's obligation as a special assessment on the Site.

If the cost of the City Investment funded through TID 73 (\$2 million) is reduced, the Development Agreement shall provide that the tax increment revenues guaranteed by the Developer shall be proportionately reduced.

**City Investment:** The City Investment relative to the initial phase of the Public Project will be a maximum of \$2.5 million for construction costs for the new public street, the public walk, sanitary sewers, storm sewers, water utilities and ancillary infrastructure work. A portion of the City Investment, initially in an amount not to exceed \$2 million, excluding financing costs, will be funded through the creation of TID-73. The Department of Public Works ("DPW") will provide additional capital funding in an amount not to exceed \$500,000. The DPW funding may also be recovered through excess increments generated by TID-73.

The City will allocate funds from Tax Incremental District Bond Account No. \_\_\_ and from DPW Account No. \_\_\_ for the initial phase of the Public Project, as more specifically outlined in the Project Plan.

For purposes of the Development Agreement and notwithstanding any of the foregoing to the contrary, it is anticipated that additional TID-73 funds for the extension of public infrastructure improvements on the approximately 12 acres identified as 2001 and 1601 West Mt. Vernon Street (Tax Key Nos: 400-9995-118 and 398-0906-111) will be considered by City at such time as Developer can demonstrate and substantiate that additional incremental revenue will be generated from new development on such parcels in an amount sufficient to permit City to amortize all TID-73 costs from available tax increment revenue, by 2036.

(NOTE: The term "City" when used herein may mean the City of Milwaukee and/or the Redevelopment Authority of the City of Milwaukee ("RACM") as those parties will allocate responsibilities in the Development Agreement. It is understood that City approvals, whenever possible, shall be the responsibility of its Commissioner of Public Works, or its Commissioner of City Development.)

**RACM Responsibilities:** RACM shall cooperate with City and Developer in implementation of the Private Project and the Public Project.

**Developer Responsibilities:** Developer shall construct the Private Project and, at City's request the Public project, according to plans and specifications approved in writing by City which approval shall not be unreasonably withheld or delayed.

**Development Schedule:** Developer will substantially complete the initial phase of the Private Project within twelve months of the execution of the Development Agreement, subject to extension necessitated by *force majeure*. An overall Project schedule is attached as EXHIBIT "A".

**Disbursement of Funds:** Prior to disbursement of the City Investment, the following actions must occur:

- A. Developer shall have received all federal, state and local agency approvals which are necessary to undertake the construction of the initial phase of the Private Project.
- B. City, shall have approved the final plans and specifications for the initial phase of the Private Project.
- C. City shall have received and approved a signed EBE Agreement.
- D. City shall have received a fully executed lease for the initial phase of the Private Project between Developer and Zimmerman Architectural Services, Inc. for a rent not less than \$10.25 per square foot and a term not less than 15 years.
- E. City shall have received commitments for financing sufficient to construct the initial phase of the Private Project.

**PILOT Payments:** The Development Agreement will require payments in lieu of taxes with respect to any parcel or building within TID-73 that subsequently becomes exempt from real property taxes. This provision shall be incorporated into covenants running with the land for all phases of the Private Project.

**Competitive Bidding:** Contracts for the Public Project must be bid out and the bidder chosen pursuant to a format and protocol acceptable to City.

**Prevailing Wages:** Developer and Developer's contractors and subcontractors shall pay prevailing wages for all Public Project costs and shall provide any necessary reports on forms specified by the City.

**Development Agreement:** City, DPW, Developer, and RACM shall enter into a development agreement ("Development Agreement") containing terms consistent with this Term Sheet and customary for such development agreements. The Development Agreement may not be assigned by Developer to unrelated third parties without the written consent of City, which shall not be unreasonably withheld.

**Financial Statements:** Developer shall provide annual, internally generated financial statements for the Private Project, certified as to accuracy by a representative of Developer acceptable to City. At its discretion and expense, City may request independently audited financial statements to be provided within ninety days of the close of any fiscal year.

**Human Resource Requirements:** Developer will enter into an EBE agreement that places a mandatory 25% EBE requirement and 40% Resident Preference requirement on all phases of the Public Project and an 18% EBE requirement and 21% Resident Preference requirement on all phases of the Private Project.

**General:** This Term Sheet does not constitute a binding agreement. The terms set forth herein and other provisions customary for a transaction of this sort shall be incorporated in one or more agreements, including the Development Agreement mentioned above, among City, RACM, and Developer. Resolutions approving the Term Sheet may also provide for the execution of all additional documents and instruments necessary to implement the Project.

All other customary provisions (Comptroller audit rights, Commissioner review and approval of the Private Project budget and design, etc.) will also be included in the Development Agreement.

August 27 2009 DRAFT

1050-2009-1193:149178

**EXHIBIT "A"**

(EXHIBIT "A" consists of an overall project schedule)



## **EXHIBIT 4**

### **ECONOMIC FEASIBILITY STUDY FOR:**

### **CITY LIGHTS PROJECT – PHASE I**

#### **Background:**

The City of Milwaukee is proposing to assist the redevelopment of certain underutilized industrial buildings on a twenty-three acre site located at 200-224 W. 25<sup>th</sup> Street and 2001 W. Mt. Vernon Street. Giuffre I, LLC and Giuffre VIII, LLC own the properties and plan to convert certain buildings into offices and other commercial uses, as well as ultimately develop new facilities on the vacant portions of the site. The site was recently rezoned from Heavy Industrial to Planned Development.

The initial tenant in the development will be Zimmerman Architectural Studios. Zimmerman will lease a 30,000 s.f. property, known as the Retort Building, which, with the addition of a mezzanine, will contain 43,000 s.f. of leased space. 180 parking spaces will be available for Zimmerman. An additional 44,000 s.f. of existing buildings at 250 N. 25<sup>th</sup> Street is expected to be converted for other office users, or for “flex” space for small business, within four to five years. Of these buildings, the Purifier House ( see Map 3) is expected to accommodate a mezzanine. Hence the ultimate reuse of this space is expected to yield 55,000 s.f. of additional space for lease.

The City’s contribution to the redevelopment program will be the extension of a public street and installation of utilities adequate to serve the site’s use for office use rather than industrial use. The estimated cost of the public improvements, plus a contribution to the cost of extending the City’s riverwalk system, is as shown in section II (B) of the Project Plan. This reflects contributions from the City to limit the TID Project net cost, before interest charges, to just over \$2 million.

TID Project Improvements, as currently budgeted, do not serve the entire District. They will be extended eastward as additional buildings are constructed in the District. Such extensions will require future approvals by the City.

#### **Current Property Valuation:**

The current valuation of property in the District is \$3,966,000, as set forth in Exhibit 1. This represents the Base Value of the proposed District.

**Anticipated Future Value of Leaseable Space:**

As stated above, 43,000 s.f of space in the facility will be made available for lease to Zimmerman. The proposed rent is \$10.70 NNN.

Assessed Value for this space is estimated as follows:

Gross Revenue:	
Office: \$10.70 NNN	\$460,000
Less: 15% vacancy & exp.	69,000
Net Operating Income	391,000
Cap. Rate	9%
Estimated Value	4,300,000
Value / s.f.	\$100

Somewhat lower values are expected for an additional 55,000 s.f. of converted space in other buildings on this site. This space is not expected to be fully developed and occupied until 2013. A rent of \$8 NNN was used to estimate value of these buildings.

The proposed project is comparable to other “industrial conversions” at Schlitz Park, the Tannery Offices, located at S. 7<sup>th</sup> and W. Virginia Streets, and the Third Ward. Comparable properties are summarized below. As can be seen, the range of values is substantial.

Address	Owner	2009 Assessment	Bldg. S.F.	Assess. / S.F.	Yr. Built
750 W. Virginia	P&V Atlas	\$6,233,000	70,416	\$89	1890
1610 N. 2 <sup>nd</sup> St.	1610 N. 2 <sup>nd</sup> LLC	\$9,652,000	92,035	\$105	1920
417 E. Chicago	K. D’Acquisto Trust	\$6,557,000	42,141	\$155	1964
214 E. Erie	222 Erie Invest.	\$7,892,000	88,910	\$79	1891
126 N. Jefferson	Corcoran Place, LLC	\$6,020,000	74,640	\$81	1905
241 N. Broadway	Tierra Dorada Broadway, LLC	\$12,986,000	99,450	\$130	1912

**Forecast of Tax Increment Revenue:**

The attached table forecasts property value in the District given the above assumptions as to the space to be occupied by Zimmerman, and the anticipated redevelopment of an additional 55,000 s.f. of structures on the site. The additional space is expected to be absorbed no sooner than 2013. Property value in the District increases from the Base Value to \$7.3 million once the Zimmerman space is completed, and \$10.6 million once the balance of the structures are renovated.

Based on this cash flow, the District is able to support a total borrowing of approx. \$2,000,000, plus two years of capitalized interest, at current interest rates. This assumes tax rates will be maintained at current levels, rather than declining in the future.

As shown in the forecast of cash flow for the District, the City will recover its costs over 25 years. As such the District is marginally feasible.

Because of the narrow feasibility of the Project Plan, and the staged nature of the redevelopment planned in the District, the Developer will be required to make up any shortfall between revenue forecasted for the Project and actual revenue received on an annual basis.

**FORECAST OF DISTRICT PROPERTY VALUE**

**FORECAST OF DISTRICT CASH FLOW**

Year	Zimmerman 43,000 at Office	Assessed Value Other Sites at 204 N. 25th	Zimmerman 43,000 at Office	Two Other Properties in TD	District Value	Incremental Val Over Base DC \$ 3,956,100	Tax Rate	Tax Increment Revenue	Total Revenue	Borrowing & 10% Cap. Int. 2,018,990	Monetary Obligation Balance	Interest @ 4.25%	Less: Revenue Or Cap. Int.	Ending Balance	Year
2009	1,000,000	1,000,000	1,000,000	1,065,100	3,965,100	-	2.350%	-	-	2,211,230	2,211,230	93,977	93,977	2,211,230	20-09
2010	1,000,000	1,000,000	1,000,000	1,065,100	3,965,100	3,345,389	2.300%	76,944	76,944	2,211,230	2,211,230	93,977	93,977	2,211,230	20-10
2011	4,345,389	1,000,000	1,000,000	1,065,100	7,311,489	3,345,389	2.300%	76,944	76,944	2,305,207	2,305,207	97,971	76,944	2,305,207	20-11
2012	4,345,389	1,000,000	1,000,000	1,065,592	7,340,980	3,374,880	2.300%	76,944	76,944	2,305,207	2,305,207	97,971	76,944	2,305,207	20-12
2013	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-13
2014	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-14
2015	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-15
2016	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-16
2017	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-17
2018	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-18
2019	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-19
2020	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-20
2021	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-21
2022	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-22
2023	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-23
2024	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-24
2025	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-25
2026	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-26
2027	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-27
2028	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-28
2029	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-29
2030	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-30
2031	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-31
2032	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-32
2033	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-33
2034	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-34
2035	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-35
2036	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-36
2037	4,345,389	1,000,000	1,000,000	2,025,515	7,340,980	3,374,880	2.300%	76,944	76,944	2,328,235	2,328,235	98,965	76,944	2,348,156	20-37
NPV @ 4.25%	2,331,970	2,331,970	2,331,970	1,834,842	1,834,842										

Switch  
Switch, above OFI:  
Assessment: \$3,956,100  
Renovations  
2009  
2010  
2011  
2012  
2013  
Zimmerman Road 1/2  
Other Road 1/2  
Exp. & Vacatney Ratio  
Cap Rate  
Evolution  
Borrowing Rate

Base Value 2009  
Real Prop  
Personal Prop  
Total  
City Admin Exp / Year

**EXHIBIT 5**

**METES AND BOUNDS DESCRIPTION OF DISTRICT**

**EXHIBIT 6**

**CITY ATTORNEY OPINION**