



Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

Rocky Marcoux
Commissioner
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November 29, 2016

City Clerk James Owczarski
Office of the City Clerk

Commissioner Preston Cole
Department of Neighborhood Services

Commissioner Ghassan Korban
Attn: Karen Dettmer
Department of Public Works

City Attorney Grant F. Langley
Attn: Tom D. Miller
Office of the City Attorney

City Planning Manager Vanessa Koster
Department of City Development

City Engineer Jeffrey S. Polenske
Department of Public Works

Re: Subterranean lease calculations for HVAC tunnel between 300 South Barclay Street and 139 East Oregon Street

Dear Committee Members:

The subterranean lease rate for the petition submitted by MD Fifth Ward Properties, Inc. to occupy and maintain a subterranean tunnel between 300 South Barclay Street and 139 East Oregon Street for the purpose of heating operations has been calculated in accordance with Department of City Development procedures, as follows:

Square Feet of airspace area to be leased	660 SF
Lease rate per Square Foot based on comparable sales	\$80.00/SF
Land value at fair market value	\$52,800.00
Land rent return percentage (at 8% return)	\$4,224.00
Partial use factor (at 75%)	\$1,056.00
Total annual rent to be charged (rounded up to nearest \$10 increment)	\$1,060.00

Please let me know if you have any further questions.

Sincerely,

Amy Turim, Real Estate Development Services Manager
Department of City Development

