

PROPERTY EXCHANGE AND DISPOSITION REPORT

Common Council of the City of Milwaukee

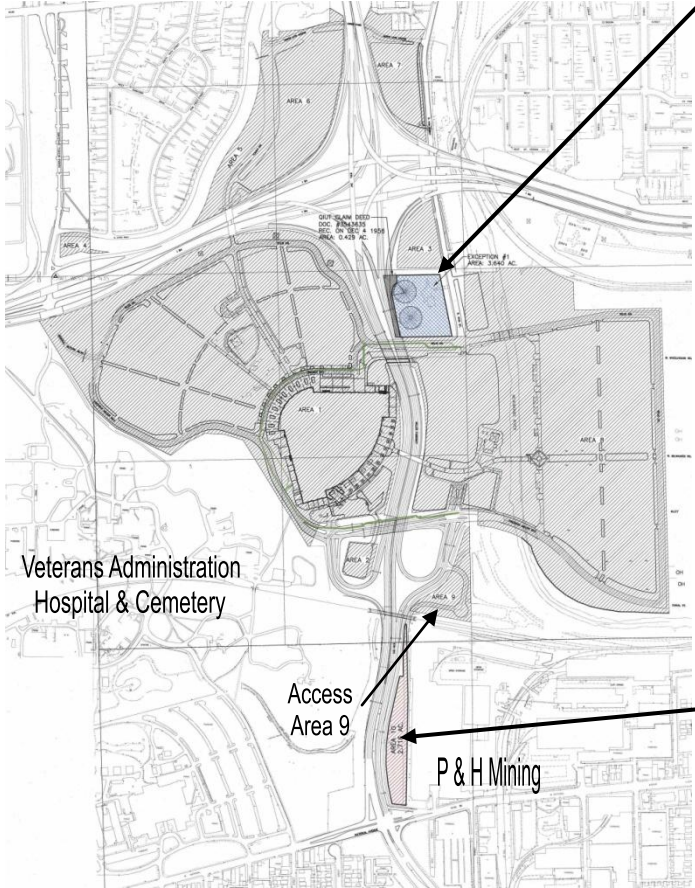
DATE

June 2, 2011

RESPONSIBLE STAFF

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AFFECTED PROPERTY	CITY OF MILWAUKEE/WATER WORKS PROPERTY:
	<p>127 South 44th Street 3,640 acres situated between Miller Parkway and South 44th Street. The site is landlocked, without frontage on a public right-of-way, and also is subject to a number of state highway encroachments. The parcel had a license agreement for access across 36 feet of state-owned property to South 44th, but only for access connected with Water Works operations. Now that the Water Works operations have been abandoned at the site, that license for access is terminated.</p>
	<p>The property was acquired in 1956 from the Veterans Administration for a Water Booster Station. The site was decommissioned by the Water Works in 2009 due to irreparable flood damage. The Water Works has since demolished all improvements on the site and severed the site's connections to the City's water distribution system.</p>
	<p>STATE OF WISCONSIN/AREA 10 STADIUM PROPERTY: Part 110 South 44th Street 2,716 acres, irregular configuration, situated between Miller Parkway and P&H Mining. Access is provided across Stadium Area 9, which is an access road between Miller Parkway and Canal Street</p>
	<p>The property is subject to restrictive covenants that run in favor of Milwaukee County and the Veterans Administration. The property also is currently subject to a ground lease between the State of Wisconsin and the SE Wisconsin Professional Baseball Park District and a sublease between the District and the Milwaukee Brewers.</p>

PROPOSED PROPERTY EXCHANGE

A Land Transfer Agreement is proposed among the City of Milwaukee, the State of Wisconsin Department of Administration, the Southeastern Wisconsin Professional Baseball Park District and the Milwaukee Brewers Baseball Club Limited Partnership. The agreement allows the City to convey the Water Works Property by quit claim deed on an "as is, where is" basis to the State of Wisconsin in exchange for the State quit claiming to the City its interest in Area 10 of the Stadium Property.

Area 10 is currently contiguous with other Stadium Property with connections to Canal Street and Miller Parkway. A separate Access Easement Agreement will provide continued access for Area 10 to these streets.

Restrictive covenants for civic and recreation use originally placed on Area 10 (and other Stadium Property) by the Veterans Administration would be released from Area 10 prior to the exchange. Additional restrictive covenants for baseball stadium purposes placed on the Stadium Property by Milwaukee County would be transferred from Area 10 to the Water Works Property and released from Area 10 prior to the exchange. Existing leases for the Stadium District and the Milwaukee Brewers on Area 10 would be similarly transferred to the Water Works Property and released from Area 10. After conveyance to the State, the former Water Works Property would possess ownership, encumbrances and restrictions identical to the surrounding State property. Release of the covenants by the VA and the County and the transfer of the leases would not be possible if Area 10 was conveyed to P&H independent of the City and State exchange.

SUBSEQUENT CONVEYANCE – AREA 10

P&H Mining Equipment, Inc., commonly known as Harnischfeger, is a mining equipment manufacturer founded in 1884 in Milwaukee and is now part of Joy Global, Inc. P&H has its headquarters at 4400 West National Avenue, which is adjacent to Area 10 and the Milwaukee City limits. P&H currently employs about 1,200 people in the area, with a majority of those employed being City of Milwaukee residents.

After acquisition from the State, Area 10 will be immediately conveyed to P&H by quit claim deed on an “as is, where is” basis for expansion of its employee parking. The conveyance will help ensure the company's presence in the West Allis/Milwaukee area by helping to accommodate a major plant modernization project and plant consolidation effort. P&H will be able to relocate employee parking spaces from a lot located south of National Avenue to the Area 10 land adjoining its building and thus eliminating a safety hazard. In the past three years, six P&H employees have been seriously injured while crossing National Avenue to get to work.

The purchase price is \$300,000, which is \$110,457 an acre. The unit price is comparable to recent sales of improved industrial building sites in the Menomonee Valley Industrial Park. Area 10, however, is zoned TL-Institutional District and lacks the access and site utility of the City's Menomonee Valley sites.

Proceeds from the sale of the Area 10 land will go to the Milwaukee Water Works as consideration for the disposition of the Water Works Property.