

LAND DISPOSITION REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

September 3, 2021

RESPONSIBLE STAFF

Yves LaPierre, Real Estate, Department of City Development

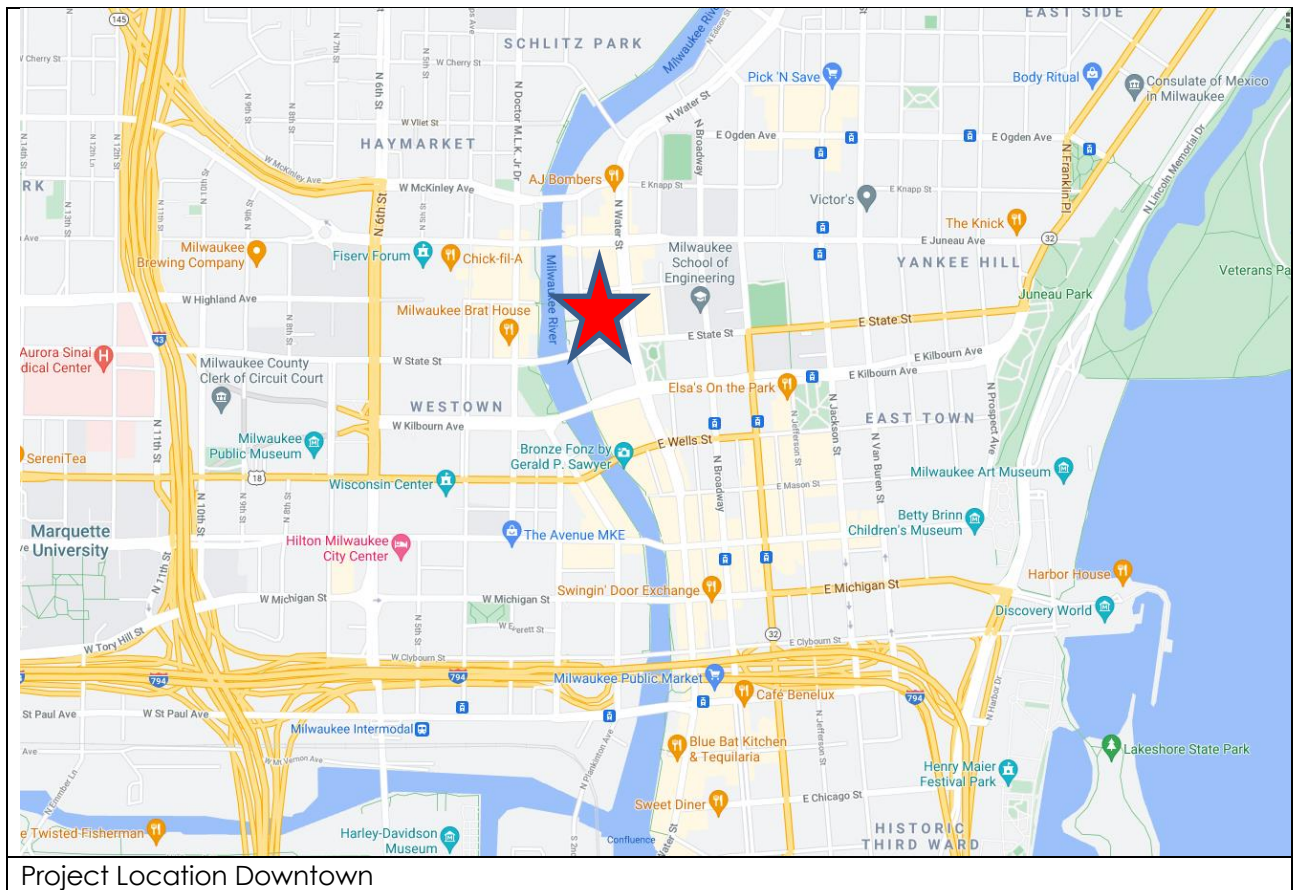
COMMITTEES:

8/19/2021 Redevelopment Authority

9/14/2021 Zoning Neighborhood Development

LESSEE

The Lessee is The Neutral Project LLC or assignee (hereinafter "Developer"). Developer will be developing the private parcel at 1005 North Edison Street and wishes to lease and improve the adjacent parcels: Redevelopment Authority of the City of Milwaukee ("RACM") parcel at 1027 North Edison Street and City of Milwaukee ("City") parcel at 1001 North Edison Street.



PROJECT DESCRIPTION

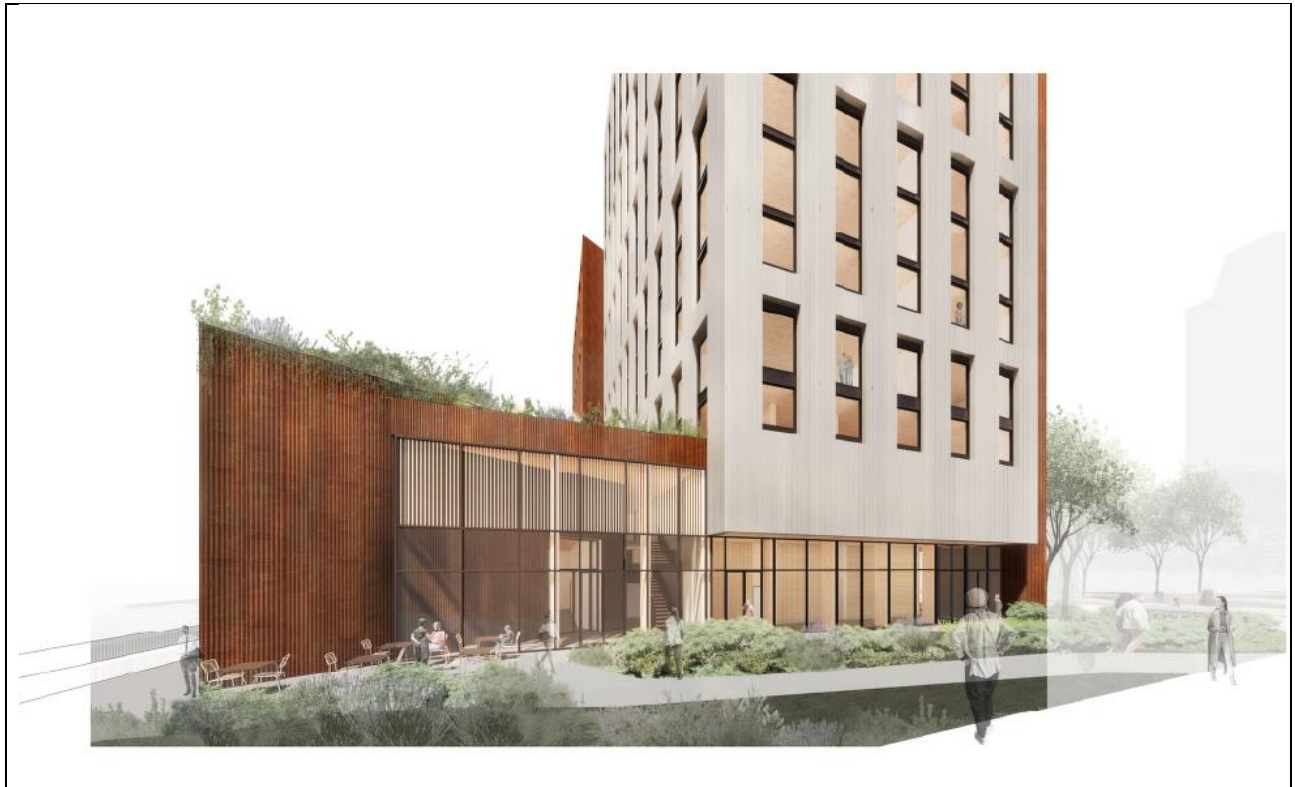
Mixed-use, commercial and residential tower on the private parcel at 1005 North Edison Street. Improvements to the adjacent Riverwalk and associated access walks, ramps and stairs on the City and RACM parcels.



Developer is proposing a 15 story building with 194 residential units over a ground level commercial floor of 13,000 square feet. First floor parking for 102 cars and 56 bicycles. Building will be using mass-timber construction and will incorporate green features such as solar and green roofs. Estimated construction costs for project are \$60 million. Existing riverwalk will be reconstructed to provide a seamless transition from commercial spaces facing the river. Access to the riverwalk from the north and south will also be reconstructed to provide better pedestrian transitions to river access with wider ADA-access ramps and wider stairs. Developer will be responsible for all upgrades and improvements to the riverwalk and associated access walks, ramps and stairs along with associated landscaping.



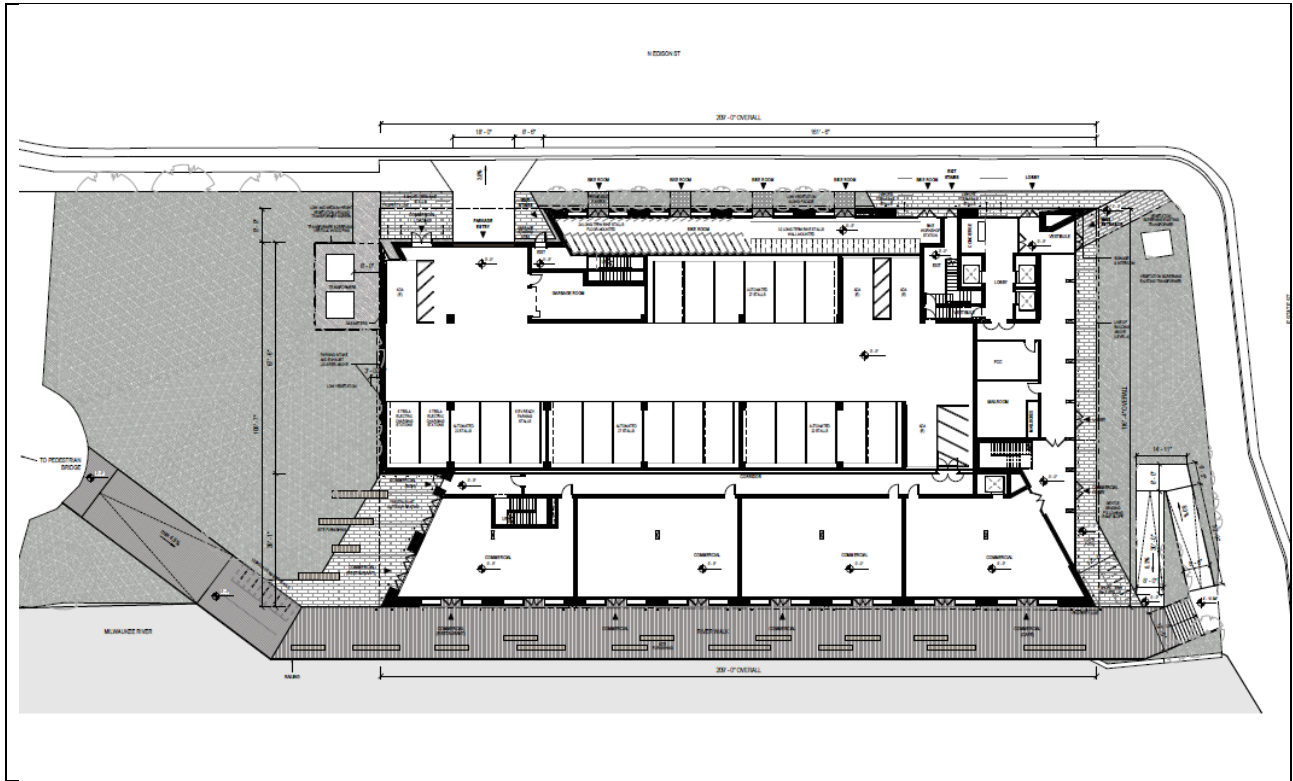
Rendering of Main Entrance at Intersection of State and Edison



South Ground Elevation View of Café Level



View Looking South Along Riverwalk



First Floor Building Plan and Site Plan Showing Upgraded Riverwalk and Access

PROPERTY LEASE TERMS AND CONDITIONS

Associated lease and maintenance agreements will be negotiated and executed with Developer. Lease will be for \$1.00 annually for a term of 50 years. Lease will require Developer to maintain newly constructed improvements and landscaping on adjoining parcels, as well as undertake any and all required capital maintenance on the parcels.

DUE DILIGENCE CHECKLIST. NORTH EDISON STREET

Market value of the property.	Adjoining RACM parcel at 1027 North Edison Street and City parcel at 1001 North Edison Street are not development sites. Leasing to Developer will increase value of private development.
Full description of the development project.	Please see the Land Disposition Report for details.
Complete site, operations and scope of work for development.	Please see the Land Disposition Report for details.
Developer's project history.	Developer has successfully completed projects in Madison and Janesville Wisconsin.
Capital structure of the project, including sources, terms and rights for all project funding.	Developer will fund the project with its own equity and private financing.
Project cash flows for the lease term for leased property.	\$1.00 per year.
List and description of project risk factors.	Department of City Development staff determined that there is very low risk in leasing the properties to Developer. Lease of City land will enable a more substantial development. Should private parcel not be developed lease will not be in effect.
Tax consequences of the project for the City.	Development of private parcel with a new mixed-use retail/residential project will greatly increase taxable value of property. In return for lease, City of Milwaukee will gain improved riverwalk and access infrastructure paid by developer. City will also save on maintenance costs of the City and RACM parcel.