

TERM SHEET

Harbor Front

Developer: Renner Architects, LLC, as Agents for Frontage, LLC

Purchase Price: The parcel at 642 East Erie Street, Tax Key Nos. 392-2197-000 and part of 392-2198-100 is herein called the "Erie Street Dock" and it is shown on the Map attached to the Common Council File regarding this Term Sheet (the "Map").

As shown by the Map, Parcel A is part of the Erie Street Dock Parcel, and Parcel A would be conveyed to the Developer.

Monetary consideration for sale of Parcel A:

Approximately \$153,630.40 - based on an 11,165 s.f. portion of Parcel A that is called the Downstream Parcel on the August 21, 2003 drawing by National Survey & Engineering - at \$13.76 per s.f..

Non-monetary consideration for sale of Parcel A:

Addition to City tax base (Project is estimated to add \$60 million to the City tax base). Redevelopment of underutilized property. Obtaining Developer's committing to undertake the Project (including construction of the Riverwalk, and Developer granting to the City perpetual public easements over the Riverwalk to be developed). Expected increase in commercial and economic activity as a result of the Project.

Project Description: Harbor Front, LLC has proposed to construct a mixed use condominium and commercial development on Parcel A and the site of the former Hansen Storage Company warehouse at 541 East Erie Street. The Project will include the construction of approximately 160-unit condominium development in two phases with underground parking and an approx. 1050 foot Riverwalk and approx. 13,000 s.f. commercial development. The Riverwalk is estimated to cost approx. \$1.7 million. The condominium residential units will range in size from 940 square feet to 2800 square feet all with a balcony or patio. The units will initially be priced at between \$200,000 and \$650,000.00. Construction will begin in November, 2003 and be completed in 2007.

Property**Description:**

The Erie Street Dock is approximately 1.1 acres of land at the end of East Erie Street at the Milwaukee River. The land is a former City incinerator site that is now under the jurisdiction of the Board of Harbor Commissioners. The BHC is declaring it surplus to Port needs so that it can be used to perfect the redevelopment of the former Hansen Storage property, connect the riverwalk to the lakewalk, and formalize the end of Erie Street into a plaza at the Milwaukee River. The address is 642 East Erie Street. The tax key nos. are 392-2197-000 and 392-2198-100 (part).

Street Dedication:

East Erie Street will be extended from its current terminus to the Milwaukee River to create a plaza (see Parcel B on Map). North Jackson Street will be extended from East Erie Street to the Milwaukee River. The North Jackson Street stub-end will remain in the ownership of Renner Architects and exist as a permanent highway easement to be maintained by the condominium association to be created for this development.

Survey:

Developer to provide at developer's expense.

Environmental:

Limited Phase I Environmental Site Assessment dated May 26, 1999 prepared by City Health Department was provided to the developer. Environmental cleanup cost, if any, to be borne by the developer.

Land Proceeds:

Proceeds from the sale of Parcel A net disposition costs incurred by DCD will be credited to the Port of Milwaukee.

Public**Improvements:**

Subject to future City action and future City approvals that are necessary, and subject to City funding being available for this Project, (a) the City will construct the extension of East Erie Street to the Milwaukee River and the plaza at the Erie Street terminus, and then specially assess for assessable costs in accordance with the City's customary practice, (b) the City will bear the cost for any necessary sheet piles across the North Jackson Street frontage as determined by the Department of Public Works, and (c) the City will pay for its respective portions of the Riverwalk (City's portion is 75% for Riverwalk and 75% of "bump-out" at the terminus of Jackson Street, and 100% of dockwall expense at terminus of Jackson Street).

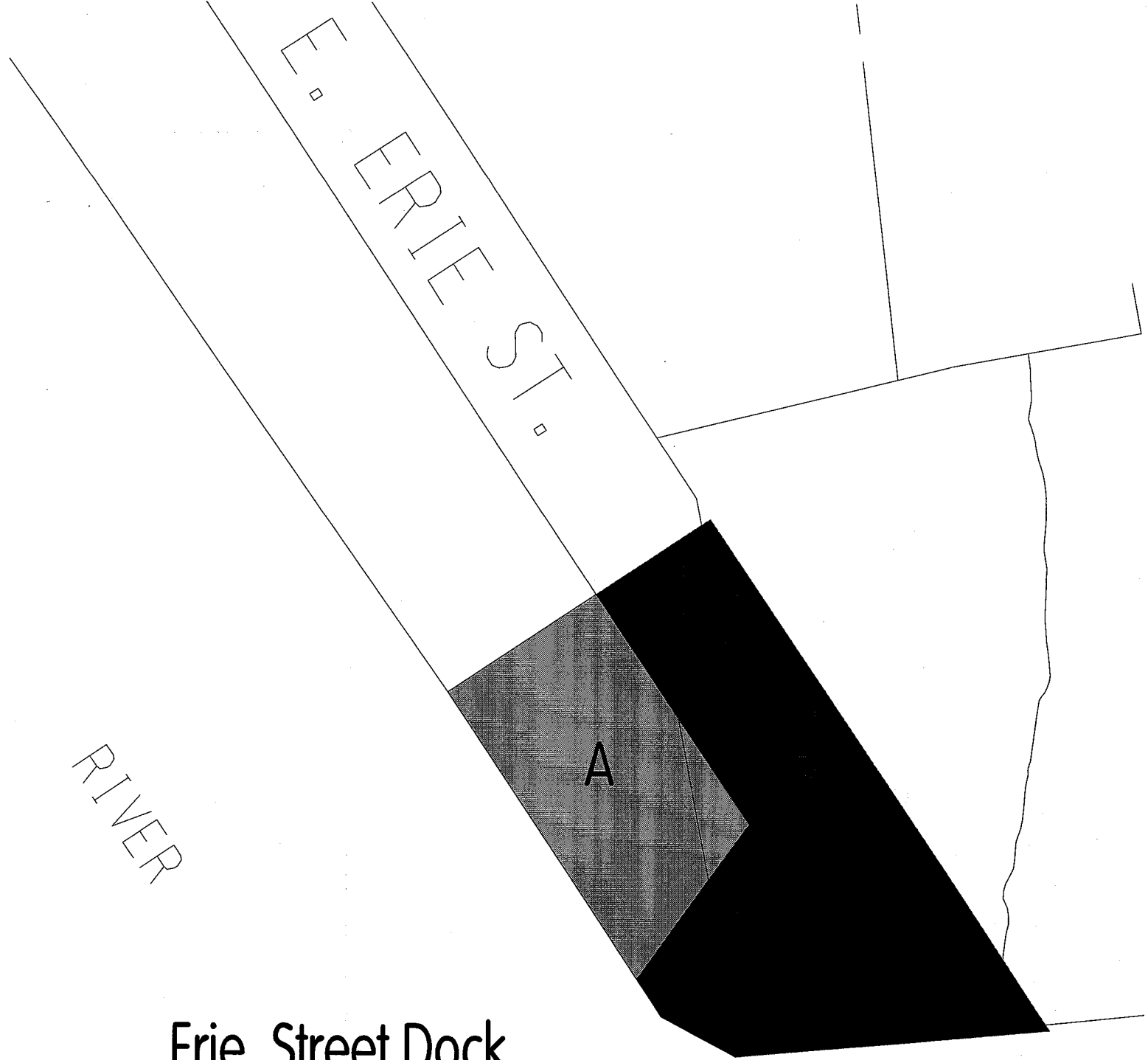
City Agreements: City will prepare a development agreement that will include terms related to riverwalk construction, street dedications, public improvements, public easements, and land sale regarding Parcel A. The agreement will include standard City terms and conditions including, but not limited to, plan and budget approval, proof of financing and final construction schedule in a form satisfactory to the Commissioner. It will also include a six month Option to Purchase that will require a nonrefundable Good Faith Deposit (\$5,000.00) upon execution. During the six month option period performance standards will be required to be met with a "Time is of the Essence" standard triggering default and termination. Should developer exercise the Option within the six month period, the Good Faith Deposit will be credited at closing. The performance standards will include: provision of a financing commitment in a form satisfactory to City. City's duties under the development agreement will be subject to the future funding and future City approvals referred to above.

Human Resource Requirements:

In fulfilling its obligations under the riverwalk portion of the development agreement, the Developer will enter into an EBE Agreement. In addition, the Developer shall agree to use its best efforts to utilize unemployed residents of the CDBG Area for 21% of the total Harbor Front Riverwalk project hours deemed eligible pursuant to RPP guidelines.

Tentative Schedule: Common Council approval
Exercise Option
Close on Land Sale
Start Construction
Complete Construction

mjw:9/22/03
doc no 72921



Erie Street Dock

A River Development Parcel
18,597.3155 Sq Ft

B To Be Dedicated as R.O.W.
36,963.5295 Sq Ft

HARBOR ENTRANCE

PRODUCED BY THE DEPARTMENT OF CITY DEVELOPMENT INFORMATION CENTER
 DWGNO: P116 - 001216.dwg 11.21.00
 PLOTNO: PLOT116.dwg
 Color Table: c:\citydevelopment\1
 Generated: 05-10-2003 3:50:04 PM (31,531,875), 00000
 Source: P:\NCEI\NCEI.dwg - 2729 - P116.dwg, 0,00000, 0,00000, 0,00000, 0,00000