

Steven M. Radke JD
Vice President – Government Relations

720 East Wisconsin Avenue
Milwaukee, WI 53202
414 665 2072 office

October 5, 2014

Lakefront Development Advisory Commission
William H. Lynch, Chairman
312 E. Wisconsin Ave., Suite 210
Milwaukee, WI 53202

RE: LDAC Review of Sale of O'Donnell Park

Chairman Lynch:

We look forward to discussing our proposal to purchase O'Donnell Park with the Lakefront Development Advisory Commission on October 15th.

I apologize if there was confusion around our willingness to submit a request for review form. As I stated in my August 25th letter, given the nature of the transaction – acquiring O'Donnell and operating it largely in its current format, not redeveloping it – our proposal does not seem to fit within the parameters of LDAC's advisory review authority. Accordingly, we believe that the voluminous materials already before the County Board combined with a presentation/conversation with the Commission would be more instructive for your members than the items articulated in your standard request for review.

Since you appear to believe, however, the materials on a standard application for review may be of interest, below is our attempt to respond to those questions.

Contact person/spokesperson: Steven M. Radke, Vice President, Government Relations; 720 E. Wisconsin Ave., Milwaukee, WI 53202; 414-665-2072; steveradke@northwesternmutual.com

Proposed site: Describe the particular location. Attach a map or diagram showing the site boundaries. Indicate the owner or owners of the proposed site. Indicate the acreage or square feet of the proposed site. If shoreline is to be used, indicate how much. Describe how the proposed site is used now.

See Exhibit 1 for a survey of O'Donnell Park, 929-931 E. Wisconsin Ave./910 E. Michigan St.

The property is owned by Milwaukee County.

According to the Nicholson Group, the appraiser retained by Milwaukee County, "the property consists of ±6.82 acre parcel improved with the O'Donnell Park facility. The development consists of a ±508,043 square foot, ±1,332 space, part two-story and part three-story parking structure. A ±53,774 square foot, three story commercial building is located on top of the parking structure and is under lease to three tenants. The commercial space is known as The Miller Brewing Company Pavilion and contains a mix of restaurant, banquet hall and children's museum space. Located under the upper plaza area is ±6,007 square feet of office space that is under lease to one tenant."

General Project Description: Briefly describe the overall purpose and nature of the proposed development.

Northwestern Mutual is not proposing a new development. Northwestern Mutual is proposing to purchase the O'Donnell property and largely continue to operate it in its current fashion. Northwestern Mutual will use some of the parking spaces for employee parking, however, the entire structure will be available for public parking on evenings and weekends. A minimum of 200 parking spaces will be available to the public for daily use.

The public will continue to have access to all open spaces on the plaza level as it currently does.

Northwestern Mutual will assume and honor the existing leases with the Betty Brinn Children's Museum and Grandview Management, Inc. (Zilli's), as well as the easement with the Milwaukee Art Museum.

Buildings or other structures: identify all buildings, structures or other physical additions to the site that will be part of the project. Describe new construction or installation and any modification of existing structures. For each building, structure or other physical addition to the site, describe its proposed use or uses. Describe the design of each structure or physical addition to the site. Supply photographs or drawings of each. A scale model of the proposed project would be helpful to the Commission's understanding of what you propose.

Not applicable.

Landscaping: Describe the landscaping your project will include.

Not applicable.

Parking: How many parking spaces will be required when your proposed project is in peak use? Describe where you propose that the required parking will be. How will the parking your project will require affect availability of parking for others? Will your parking needs increase in the future? If so, where do you propose the additional parking will be located?

Not applicable.

Traffic and pedestrian flow: Describe the traffic patterns that will result from your proposed project. Describe how pedestrian traffic will flow.

Not applicable.

Proposed arrangements for use of site: If site is to be leased, indicate lease term and rent. If purchased, indicate purchase price. List any special terms or conditions of the sale or lease.

Purchase price would be \$14 million, minus a \$1.3 million restoration credit. The entire purchase agreement can be found on the County Legislative Information Center (CLIC) attached to file 14-610.

<https://milwaukeecounty.legistar.com/Legislation.aspx>

Describe the impact your proposed project will have on each of the following: Promotion of clean water. Reduction of air pollution. Noise levels. Traffic congestion. Litter reduction.

Not applicable.

Describe the area surrounding the proposed site. Identify how each part of the surrounding area is currently used. Identify all impacts your proposed project will have on use of the surrounding area.

The area surround the site consist of the Milwaukee downtown business district to the west, Juneau Park to the north, the Milwaukee Art Museum to the east, and the Downtown Transit Center site to the south.

No impacts are anticipated on the use of the surrounding area. Under the proposal, public access will be maintained to the existing Calatrava and Michigan Street bridges.

Describe how your project will change site lines and vistas of the Lake.

The acquisition of the O'Donnell property will not change the site lines and vistas of the lake.

Access to the Lake: Describe how your project will affect access to the Lakefront area generally and particularly to the water's edge.

The acquisition of the O'Donnell property will not affect access to the Lakefront, although it would be our hope in the future to activate the parcel through enhanced use of the open space, improved maintenance and upkeep.

Food service: Do you propose to provide food service. If you do, describe the nature and extent of the service to be provided. Include proposed hours, any limits on who will be served, projected meal or sample item price ranges.

Current Pavilion tenant Grandview Management, Inc. (Zilli's) provides food service on site. Northwestern Mutual would assume and honor their existing lease.

Great Lakes history: How does your proposal convey our Great Lakes History? How will it preserve our Lake Michigan heritage? How will it leave a legacy for the future?

Not applicable.

Open Space and Recreational Role of Parkland: How will your project impact the traditional open space and recreational role of lakefront parkland?

Northwestern Mutual would assume the property under Park District Zoning which only allows for specified public and quasi-public uses. Over time, it would be our intention to make improvements to the property that encourage more active use of the plaza by the public, consistent with our decision to create a 3 acre publicly-accessible garden adjacent to our new tower. Northwestern Mutual has also partnered with NEWaukee to engage in the early stages of creative spacemaking to solicit community input on what types of public uses are desired on the O'Donnell site. As noted above, we have no immediate plans to make any modifications to the open space on this property.

Necessity for lakefront site: Is the use you propose now located away from the lakefront? Can the use you propose be located away from the lakefront? Describe the efforts you have undertaken to locate a site for your proposed project away from the lakefront. If you believe your project can only be located at the proposed lakefront site, please explain why.

Not applicable.

Impact on space for temporary uses: How long will the use you propose be in place? What impact will your project have on the availability of space for temporary uses?

Not applicable.

Restoration plan when proposed use of site ends: What will be required if the use you propose for the site is no longer appropriate? How will the site be restored?

Based on engineering reports prepared for the County, it is assumed that the structure has a remaining useful life of approximately 20 years. As that time approaches, Northwestern Mutual will work with community leaders, neighboring institutions and other interested parties to determine what an appropriate replacement would be. Clearly such replacement would need to be consistent with applicable zoning and deed restrictions.

Expansion: Describe all future phases for your project and all anticipated future expansion. Identify all buildings, structures or other physical improvements anticipated or that are desirable. Describe all anticipated future parking, roadway and other infrastructure needs. Describe the impact of your proposed project on the expansion possibilities and needs of nearby facilities now and in the future.

Not applicable.

Business plan viability: Provide the business plan for your proposed project. Include all projected revenues and identify the proposed source or sources for each. List your anticipated expenses, both for beginning of your project and for continuing upkeep and maintenance. Demonstrate the long-term viability and sustainability of your proposed use of lakefront land. Indicate whether you have received or will be seeking support from any governmental source. Include any expectation that your project will receive the benefit of in kind contributions or reduced rates for goods or services.

It is anticipated that the O'Donnell facility would be overseen by Northwestern Mutual's Facility Operations and/or Real Estate Investment department. Our primary goal will be to operate the parking facility and plaza in a manner beneficial to our employees, neighboring businesses, cultural institutions and the public, not to generate revenue. It is anticipated that Northwestern Mutual would need to perform approximately \$6.5 million in repairs in the first year of ownership to address concrete delamination, replace the failed buried waterproofing membrane and reconstruct the plaza area to the east of the Miller Pavilion. A full report of Walker Restoration Consultants (available in the County Legislative Information Center (CLIC) attached to file 14-610 -- <https://milwaukeecounty.legistar.com/Legislation.aspx>) details immediate and base repairs, as well as recurring maintenance and the estimated costs.

It is also anticipated that significant expenditures would also be made to perform more periodic maintenance and cleaning, improve lighting, signage and painting, and improve the landscaping on the plaza level.

We would not be seeking support from any governmental source for these costs, nor do we anticipate receiving the benefit of in kind contributions or reduced rates for goods or services.

Your experience and resources: Please describe the experience you have had with development and implementation of projects similar to the project you are proposing? Describe the qualifications and experience of the key people involved with implementing your proposal. Describe the funds and resources you have in hand to support the project and their source. Do you have adequate resources to go forward with the proposed project? Explain.

Northwestern Mutual has been a premier corporate citizen in the State of Wisconsin for 157 years. We are the largest direct provider of individual life insurance in the United States. We have the highest financial strength ratings awarded to any life insurer by all four of the major credit rating agencies (A.M. Best Company, A++; Fitch Ratings, AAA; Moody's Investors Service, Aaa; Standard and Poor's, AA+). Northwestern Mutual is one of the largest real estate investors in the nation with a portfolio in excess of \$30 billion, invested in commercial mortgages and equity investments across all major property types, including apartments, office, retail and industrial. The company has experienced, in-house professionals in the areas of environmental, architecture, engineering, property insurance, legal services, and property tax.

We are the largest corporate giver in Wisconsin, donating more than \$260 million to nonprofits nationwide since our foundation's inception in 1992. Our Foundation is also a key supporter of resident-driven development efforts in three targeted Milwaukee neighborhoods: Amani, Metcalf Park, and Muskego Way. In these neighborhoods we are concentrating efforts to improve the quality of life particularly in the areas of education, safety, and children's wellness programs.

Northwestern Mutual also has a history of being an excellent partner with Milwaukee County. In 1997 the company acquired a small piece of former park land on the southeast corner of our campus, directly across from the O'Donnell property. While zoning restrictions were lifted from that parcel during the sale, it has been maintained as green space since the acquisition and will continue to be so as part of our new tower's gardens. In 2012, Northwestern Mutual worked with the Parks Department and local governmental bodies on an innovative three-way land swap in Oak Creek which allowed the Parks to acquire over 75 acres of long-sought woodlands to expand Falk Park. In 2006 Northwestern Mutual provided \$40,000 in funding to purchase and install outdoor fitness equipment at the lakefront. We have been a long-time supporter of the Milwaukee County Zoo (where we sponsor the "Family Farm" and the outdoor gorilla exhibit transformation), and the Milwaukee Public Museum (where we have sponsored a series of successful exhibits such as "Body Worlds)."

Future public investment: Do you assume that any governmental body will make improvements to accommodate your project? Identify the governmental body you anticipate will make the changes and their cost. Will public investment be required in the future?

No.

Again, we believe the sale of O'Donnell to Northwestern Mutual represents a mutually beneficial opportunity for the greater Milwaukee community, for Milwaukee County, and for our company, and we stand ready to assist in moving this process forward.

Please let me know if you need anything else.

Sincerely,



Steven M. Radke

Exhibit 1

Survey

PLAT OF SURVEY

Known as 929-931 East Wisconsin Avenue, in the City of Milwaukee, Milwaukee County, Wisconsin.

Part of Lot 1, Block 99 and Lots 1 thru 4, Block 109 and the Plot of Division of 13.30 acres in the Southwest 1/4 of Section 26, Town 7 North, Range 22 East, Also part of Government Lot 2 and Lots 7 thru 12 Diederich's Subdivision and vacated E. Wisconsin Avenue adjacent in the Northwest 1/4 of Section 26, lying between the North line of East Michigan Street extended East, West of the West line of Lincoln Memorial Drive, South of the South line of Mason Street extended Easterly, East and South of the Easterly and Southern lines of North Prospect Avenue and Wisconsin Avenue and the East line of vacated Marshall Street extended South to the North line of the Southwest 1/4 of add Section 26.

EXCEPT and part presently held out or used for street purposes.

December 5, 2012

Milwaukee County

Survey No. 165625-80'

NOTES

-Courses between *Point A & *Point B were established by O'Donnell Park legal description per Document No. 8384308 & survey prepared by Milwaukee County for the proposed Lakefront Terrace Park project dated March 8, 1989.

-The North line of East Michigan Street and the West line of Lincoln Memorial Drive were created by R.A.S.N. on this survey.

Base of Bearings

Bearings are based on the East line of the NW 1/4 Sec 26-7-22, which is assumed to bear $101^{\circ}12'24.74''$ N.

Flood Note

According to flood insurance rate map of Milwaukee County, Wisconsin, Map number 95079C0092E, effective date of 9-28-2008, this site falls in zone X (area determined to be outside the 0.2% annual chance floodplain).

Parking Spaces

According to May 2011 "O'Donnell Parking Structure Repair Plans by GRAEF", there are 1,332 total parking stalls, breakdown: 1308 regular and 24 handicapped.

Notes

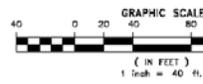
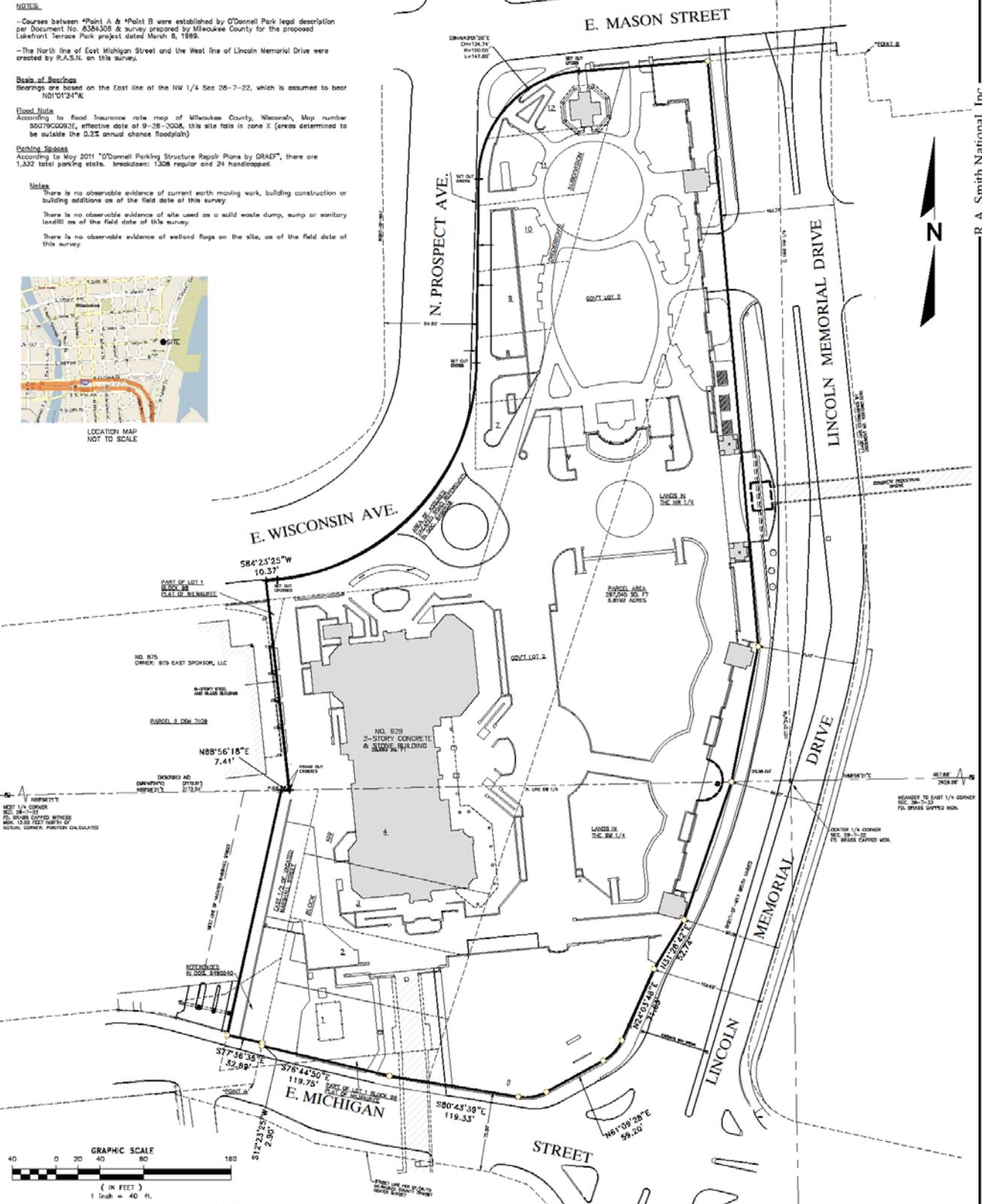
There is no observable evidence of current earth moving work, building construction or building additions as of the field date of this survey.

There is no observable evidence of site used as a solid waste dump, sump or sanitary landfill as of the field date of this survey.

There is no observable evidence of wetland flags on the site, as of the field date of this survey.



LOCATION MAP NOT TO SCALE



I Certify that I have surveyed the above described property (properties), and the above map is correct to the best of my professional knowledge and belief and shows the size and location of the property, its exterior boundaries, the location and dimensions of all visible structures, fences, easements, encroachments and markers and other monuments, if any. This survey is made for the ordinary use of the present owners of the property, and also those who purchase, mortgage, or otherwise acquire the same, within one (1) year from date hereof.

JOHN P. CASICCO
REGISTERED WISCONSIN LAND SURVEYOR S-2055

DISERS WAS NOT CONTACTED FOR THIS SURVEY

THE UNDERGROUND UTILITY INFORMATION AS SHOWN HEREON IS BASED IN PART UPON INFORMATION FURNISHED BY UTILITY COMPANIES AND THE LOCAL MUNICIPALITY. WHILE THIS INFORMATION IS BELIEVED TO BE RELIABLE, ITS ACCURACY AND COMPLETENESS CANNOT BE GUARANTEED NOR CERTIFIED TO.

(P) INDICATES PIPE SIZES FOR RECORD PLANS. OTHER PIPE SIZES WERE ESTIMATED. SEE PIPE SIZES SHOULD BE RELIED UPON WITHOUT FURTHER VERIFICATION.

R.A. Smith National, Inc.

Beyond Surveying and Engineering

16740 W. Sherman Road, Brookfield, WI 53005
262.783.0000 Fax: 262.783.0700 www.ra-smith.com
Attn: John P. Casicco, S-2055
S-0165025-Reg. A5101040-Reg. A5101040

R.A. Smith National, Inc.