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October 24, 2005

VIA MESSENGER

Supervisor Elizabeth Coggs-Jones
Chair
Committee on Health and Human Needs
Milwaukee County Board
Room 201 - Courthouse
901 North 9th Street
Milwaukee, WI 53233

RE: *Request for Proposals: Office Space for Milwaukee County Department on Aging - [Procurement No. XXXX/Not Available]*

Cross Ref: File No. 05-451 ... Resolution Authorizing and Directing the Director, Economic and Community Development Division, to begin negotiations with Grubb & Ellis to lease 48,000 sq. ft. of office space for the Department of Aging, etc.

Agenda Item #4 - Wednesday, October 26, 2005 - 9:00 a.m.

Dear Madam Chair and Members of the Committee:

This communication will serve as notice that this firm and the undersigned represent Milwaukee Brewery Works, Inc. ("Brewery Works"), the original apparent low bidder, in connection with the above procurement for the Milwaukee County Department on Aging (the "Department").

Although the Economic and Community Development Division of the Department of Administration (the "ECD Division") apparently followed the "best and final" offer procedure under Sec. 32.48, Milwaukee County Code of Ordinances ("MCCO") after the Henry Reuss Plaza at 310 West Wisconsin Avenue (the "310 Building") offered to dramatically reduce the gross dollar amount of its rent, Brewery Works stood by its offer since a correct calculation of its proposal revealed that its proposal was still lower in price than the dramatically reduced offer.¹

¹As a matter of note, while § 32.48, MCCO authorizes "best and final offers", Sec. 32.25(1), MCCO, reserves that procedure for the purchase of goods and services, not the sale and lease of real estate. See also § 32.20(6), MCCO (definition of "procurement" limited to "supplies, materials, equipment and contractual services.").

If all of the credits allowed by Brewery Works under its proposal had been correctly calculated by Milwaukee County (the "County"), it would have been clear that the Brewery Works proposal was a total of \$2,944,796 or **\$55,204 less than the 310 Building's second proposal** that was before the second Special Meeting of this Committee over the lunch hour during the County Board meeting on Thursday, September 29, 2005. Moreover, an additional \$750,000 restoration charge that is not necessary for the Brewery Works building must also be added to the 310 Building total driving the savings to \$805,000 at the Brewery Works.²

It was the second proposal of the 310 Building that was approved by the Committee.

Regardless of the status of matters with the 310 Building, these miscalculations, whether intentional or mistaken, need to be reviewed by the County and the transaction clarified. Indeed, after a complete analysis, the Committee should decide whether to reconsider the matter or rescind the transaction if the lease agreement (the "Agreement") with the 310 Building has been executed.

Background Information

About August 1, 2005, the Division issued a document entitled "Request for Proposals: Office Space for Milwaukee County Department on Aging" (the "RFP"). The proposal was undated and did not contain an RFP or procurement number.

The introductory paragraph of the RFP stated:

"Milwaukee County is soliciting proposals to identify the availability of office space in a Class B building in the Central Business District ("CBD") of the City of Milwaukee, or close proximity thereto, for the Milwaukee County Department on Aging ("Tenant"). Proposals must be received in the office of the Director of Economic and Community Development, 2711 W. Wells Street, Milwaukee, WI 53208, Room 533, no later than Wednesday, 4:00 p.m. CDT August 31, 2005."

(Emphasis in original.)

² The 310 Building also does not include utilities which presumably will increase the annual costs at the site. However, as discussed at pp. 4, 8, 9, the Committee has never received this expense despite all other proposals including the utility costs within the annual rent amount. Finally, it will also be shown below that the Brewery Works' proposal also provided separate allowances for moving and cabling as required by the RFP for which it did not receive credit. Thus, even though at the outset the Brewery Works notes the difference is approximately \$800,000, it will be shown that the true cost difference between the two proposals is more than \$980,000.

The County also reserved its rights on page 5 of the RFP to accept or reject any or all proposals for any reason, at its sole discretion and/or discuss/negotiate the terms and conditions of a submitted proposal with any, but not necessarily all, of the owner/landlord(s).

The RFP specifically requested certain tenant allowances, credits and incentives to the County.

Given the nature of the Department's clientele, the RFP, on page 4, in unnumbered paragraph 3 entitled "*Parking:*" mandated that the successful proposer shall provide to the Department 20 reserved parking spaces, 10 of which would be reserved and designated as handicapped, and 10 spaces would be reserved for visitor spaces, and provided that those 20 spaces would be located "in very close proximity to the access point" of the proposer's building. The remaining 180 spaces had to be within two (2) blocks of the building.

The Brewery Works Response

The Brewery Works timely filed its detailed proposal for rental space (actually 55,000 square feet) for the Department, together with all of the credits and incentives, and was the only proposer to offer the full \$25.00 per sq. ft. tenant improvement allowance which was not correctly considered in the Division's evaluation.

Offering the full amount of the requested tenant improvement allowance had a clear value to the County. The Brewery Works' proposal at that time was less expensive by over \$708,000 (over the life of the Agreement) from its closest competitor, which equates to a credit of approximately \$141,000 per year.

The Brewery Works proposal also clearly and concisely met the tenant's parking requirements for 20 special reserved spaces in immediate proximity to the building entrance and the remaining 180 parking spaces adjacent to or across the street from the Brewery Works building. See RFP, p. 4 ("Tenant **shall** be provided...200 reserved parking spaces.") (emphasis added).

The Division's Analysis

At the September 21, 2005 meeting of the Committee, the Director of the Division reported that the Brewery Works proposal, referred to generally as Schlitz Park at 235 West Galena, provided the best value for the taxpayer.³

³A similar finding was made in an undated fiscal note prepared by the Fiscal Affairs section of the Department of Administrative Services, an agency separate from the Division. That note specifically found that the Brewery Works site at 235 West Galena was the least costly and provides the highest improvement allowance of the 5 responses. It may well be that Fiscal Affairs staff correctly calculated the full credits and incentives offered by the Brewery Works. A copy of the FA fiscal note is attached as Exhibit B.

The Director's report dated September 20, 2005, a copy of which is attached as Exhibit A, acknowledged but provided no credit for the fact that the Brewery Works was charging for 48,000 sq. ft. as requested in the RFP, but was actually providing 55,000 sq. ft. of space. This was characterized only as "an opportunity for [County] cost savings." [Interlineation provided]

In addition, awarding the lease to the Brewery Works eliminated the need to restore the existing space occupied by the Department and additional space occupied by other County agencies which the Director's report then characterized as being \$189,798.57 compared to \$60,000 per month under the Brewery Works' proposed lease.

Finally, Appendix I to the report noted that the 310 Building did not include the utility expenses in its annual rent, but rather would utilize separately metered plugs and lights. It is reasonable to expect that such charges will be at least \$0.75 per sq. ft., or \$36,000 per year whereas all other proposers included such utility expenses in the annual rent figure.

Change in One Proposal

Some time between September 21, 2005 and a few days before the September 28, 2005 special meeting of the Committee, things changed dramatically. Remember, at this point, none of the proposers' numbers had been released to other proposers or to the public. Some time during that period the Division learned that the 310 Building was willing to make what appeared to be a massive \$1,000,000 discount on its proposed rent.

It is not exactly clear when this happened, but the opportunity was presented, and that it appeared to be a good one, is not disputed. Following a spirited discussion by Supervisors at the Committee's meeting on Wednesday, September 21, 2005 where members reviewed other potential sites for the Department and discussed methods for working with existing County property or the existing Schlitz Park space to save money, the matter was laid over to a Special Meeting on September 28, 2005 to allow staff to choose the \$1,000,000 apparent discount.

Although several comments were made about the cost of improvements to the space at Schlitz Park, it does not appear that the Division advised the Board of the separate credits and tenant allowances for improvements in addition to the moving allowance and the cabling allowance as specifically required by the RFP.

2 — The Director of the Division specifically stated that the Committee would be reopening the RFP process even though the Division was still comparing proposal numbers and had not, at least publicly, moved to the negotiation stage.

Specific questions of Committee members on those issues were to be addressed by staff at the special meeting scheduled for Wednesday, September 28, 2005.

The Special Meeting

The first Special Meeting, in fact, occurred on September 28, 2005 with File No. 05-451, as the second of two files on the agenda.

Supervisor Johnson moved to approve the Brewery Works space at 235 West Galena in Schlitz Park. No vote was taken on the approval motion.

Public discussion occurred, but speakers did not address the economics of the situation but the advantages of keeping the Department of Aging at one location.

Supervisor Rice then moved to lay the matter over to the following day so that staff could request of each proposer by 5:00 p.m. that very day "... an updated rent costs [sic] for consideration at a special Health and Human Needs Committee meeting on Thursday, September 29, 2005."

The Second Special Meeting

This second Special Meeting of the Committee was called to order over the lunch hour during a recess of the County Board meeting on September 29, 2005. This item was the only matter on the agenda. A Staff Report entitled "Department on Aging Office Space 'Best & Final' Proposals" was also prepared. See Exhibit C.

As expected, the Division recommended negotiation with the 310 Building at a "cost of \$3 million" as compared to a supposed cost at Brewery Works, 235 West Galena Street of \$3,634,556.00. Apparently, however, the additional \$750,000 restoration costs necessary for the 310 Building proposal were not factored in because on its face, the total cost of the Brewery Works was still less than the 310 Building.

The "cost of \$3 million" language was incorporated in Supervisor Cesarz's resolution to approve negotiation with the 310 Building.

Incorrect Analysis Results in Wrong Number

As noted above, the actual comparison shows that the total five year cost for 235 West Galena is the proposed \$3,634,556, while the comparable actual cost at the 310 Building is \$3,750,000. In reality, despite what appeared to be a dramatic \$1 million discount that caught everyone's attention the Brewery Works' proposal was still \$115,444 less.

Even though Brewery Works was less on its face at that point, it also was even lower if the proper credits had been applied to its bid. Brewery Works was the lowest net proposal to the County because Brewery Works specifically provided the requested separate moving allowance and the requested separate cabling allowance. On top of its Tenant Improvement Allowance, Brewery Works included \$3.00 per sq. ft. for a moving allowance and \$1.50 per sq. ft. for a cabling allowance. It appears at one point that these credits were originally shown only in the 310 Building analysis (Exhibit A, Appendix I, p. 2) but did not show in the subsequent comparison attached to the September 29th Staff Report entitled "Department of Aging Space Needs Cost Layout (Best & Final Offers)." See Exhibit C. Yet for the Brewery Works' proposal, staff continually and incorrectly included these amounts as part of the tenant improvements rather than as additions to it.⁴

These separate allowances – required by the RFP – totaling \$4.50 per sq. ft. for 48,000 sq. ft., means a minimum of \$216,000 in additional incentives from the Brewery Works were not counted. The end result is that the Brewery Works was even lower than the 310 Building, specifically by a total of \$331,444.

Lack of Response on Required Parking Spaces

A second glaring error, perhaps one of non-responsiveness in the first instance, appears in an unnumbered footnote under "comments" in the chart attached to Exhibit C, which states:

"The 310 Wisconsin Building will provide two or three parking lots available for aging clientele."

Despite this, the original RFP said that the successful proposer shall provide no less than 200 spaces within a specific area relative to the building and that 20 of those spaces will be immediately adjacent to the entrance of the building for handicapped clientele and for visitors.

Supervisor Quindell caught this immediately and offered an amendment that the Agreement be contingent upon a successfully negotiated contract for 200 parking spaces near the site which is all the RFP really called for anyway. This amendment, for whatever reason, failed on a 2-5 vote.

The Brewery Works has the parking spaces already in place and dedicated to the Department on Aging's space. The 310 Building has its own parking garage, a significant portion of which is assigned parking and the three conceivable lots within the requisite distance are the Hyatt Regency parking deck, which is now owned by the Hyatt Regency, the western end of the parking structure for the Shops at Grand Avenue, and a City owned parking structure north of Wisconsin Avenue on 2nd Street but with its only entrance on North Plankinton Avenue.

⁴ For example, the second comment on the "Department of Aging Space Needs Cost Layout (Best & Final Offers)" chart (see Exhibit C) is wrong because the Brewery Works' proposal includes the cabling and moving allowances separately from the Tenant Improvement Allowance.

Most of these parking structure operators have been successful in keeping their lots filled by selling assigned spaces and also making dedicated spaces available on a non-assigned basis for commercial and retail tenants that want to be guaranteed that their customers and clients will have parking.

Add to this the fact that as a result of the Marquette Interchange reconstruction in the I-794 segment this coming spring, 1,050 parking spaces under the freeway, more than 2 blocks south of the 310 Building, will be eliminated. These are parkers who are willing to pay a high daily rate, and many of them are monthly parkers with designated spaces. Thus, the competition for parking spaces will become incredibly tight.

Unused Bonus to County of 7,000 Square Feet

In comparing the proposals of the Brewery Works and the 310 Building, an important basic point is overlooked. The proposal of the 310 Building is for 48,000 sq. ft. and that of the Brewery Works is for 55,000 sq. ft., while the County is only charged for the 48,000 sq. ft.

What should be obvious is that the County is receiving 7,000 sq. ft. of office space for free. Assuming, with the budget crunch the County faces with needed space, particularly if 7,000 sq. ft. of it is for free, the Division would have quickly taken advantage of this opportunity and made plans for the additional 7,000 sq. ft. and maybe even given the Brewery Works a slight nod, if not a credit. Unfortunately, that did not occur.⁵

Possible Explanation of 310 Building Modification

A review of the several different analyses prepared by the Division gives a picture of what is really occurring with the 310 Building.

According to the Division's most current analysis, it appears that the 310 Building is charging rent of \$3,000,000 over 5 years for 48,000 rentable square feet. It also indicates that it is providing approximately \$1.2 million in tenant improvements, assuming all other items are equal. See Exhibit C.

In the analysis before that, the Division stated that the improvement allowance was \$25.00 per square foot, but only utilizing \$15.13 per square foot for the 310 Building's plan. See Exhibit A. This

⁵In another strange observation, the Division's analysis notes that ADA compliance must be reviewed for the 235 West Galena Site. This sounds ominous and the natural question is, what will it cost the County? The answer is nothing, since the 235 West Galena Street proposal states that the Landlord, at its own cost and expense, shall be directly responsible for all compliance with ADA. If a review ever showed non-compliance, which it is believed will not be found, there is no cost to the County.

leaves \$9.87 per square foot in the hands of the Landlord or approximately \$473,760 in credit. The plan for interior improvements will require that only a part of the tenant improvements allowance be spent and a portion of the difference can then be used to offset rent. This is simply double counting since it is stated that they are providing the allowance but then using a portion of it to offset the rent it reduced.

The Division could do the same analysis with the Brewery Works proposal and obtain a similar result, but that does not show up in any of the comparisons. At this stage, however, the same analysis must be applied to then truly compare the two proposals.

The Brewery Works' proposal shows a charge of \$3,634,556 over 5 years including a total \$1.2 million for tenant improvements, and deducting \$216,000 for the moving allowance (whether used or not) and the cabling allowance. If the County is only going to spend \$15.13 per square foot of the allowance for tenant improvements, the same square foot credit of \$9.87 given to the 310 Building must be made available to the Brewery Works to further reduce its cost by \$473,760.

In sum, by equally factoring in this \$473,760, the Brewery Works' proposal is \$2,944,796 (\$3,634,556 - \$216,000 - \$473,760), which of course is still \$55,204 less than the 310 Building transaction without regard to the relocation costs and un-quantified utility costs omitted from the 310 Building proposal.

Best and Final Offer

The use of the Best and Final Offer process here, although reserved only for purchases of goods and services, is questionable. The "best and final" offer technique sometimes yields a better number if all of the charges and credits are compared on an equal basis, but it is open to suspicion.

If a unit of government wanted to, that technique could be used to award a lease or contract to a favored proposer who was beaten out in the first round. The fact is here that the Brewery Works was never beaten, but the result came out showing that it was. This is because allowances that were clearly provided in terms of additional free space, the moving and cabling allowances are in addition to the tenant improvement allowance, not included within it, and allowing the 310 Building proposal to double count with unused tenant improvement credits to offset rent, bring the expected and unfortunate result.

Conclusion

On its face, the Brewery Works' proposal was at all times lower than the 310 Building's proposal because the \$3,000,000 total rent proposal did not include the relocation costs necessary for the 310 Building. The Brewery Works' proposal of \$3,634,556 was already \$115,444 less than the 310 Building.

On top of that, if the two bids are simply equalized, the Brewery Works' proposal must first be reduced by \$216,000 for the moving allowance (whether used or not) and the cabling allowance. Second, it must be reduced by \$473,760 for the tenant allowance credit. It appears that the 310 Building received credit in some fashion for these deductions but the Brewery Works did not.

Finally, the 310 Building's total cost must be increased by at least \$180,000 for the reasonable estimate for the utility cost which it has never quantified but must be considered by the Committee because those costs are included in the Brewery Works proposal.

The correct comparison will then be:

Brewery Works	\$2,944,796 (\$3,634,556 - \$216,000 - \$473,760)
310 Building	\$3,930,000 (\$3,000,000 + 180,000).

In conclusion, the Brewery Works' bid is actually **\$985,204.00 less** than the one accepted by the Committee last month.

Requested Action

The Committee might consider reviewing the Division's calculations using a more independent resource.

Pending that, the Committee could direct the Division to move to simultaneous negotiations with the 310 Building and Brewery Works, but with all credits correctly accounted for this time. Also, if unused credits can be used to offset rent, then that opportunity should be afforded to both proposers.

As a final alternative option, all proposals should be rejected and the process restarted with a more unambiguous RFP. Brewery Works will allow the Department to hold over for the one year it is entitled to under its current lease while such a new process moves forward.

Thank you for your attention to this communication.

Very truly yours,

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JDF/kg
Enclosures

Supervisor Elizabeth Coggs-Jones

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cc: All Members, Health and Human Needs Committee (w/encls. via messenger)
William Domina, Esq., Corporation Counsel (w/encls. via messenger)
Mr. Rob Dennik, Director, Division of Economic Development (w/encls. via messenger)



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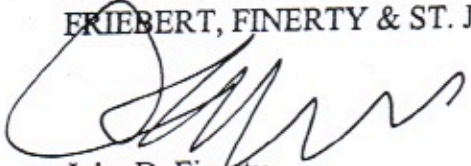
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S. TODD FARRIS
TED A. WARPINSKI
BRIAN R. SMIGELSKI
MATTHEW W. O'NEILL
SHANNON A. ALLEN
JEREMY P. LEVINSON
LAWRENCE J. GLUSMAN
SHEILA M. CONROY
BRIAN C. RANDALL
JENNIFER L. BOLGER
CHRISTOPHER M. MEULER

October 25, 2005

VIA MESSENGER

Supervisor Elizabeth Coggs-Jones
Chair
Committee on Health and Human Needs
Milwaukee County Board
Room 201 - Courthouse
901 North 9th Street
Milwaukee, WI 53233

RE: *Request for Proposals: Office Space for Milwaukee County Department on Aging - [Procurement No. XXXX/Not Available]*

Cross Ref: File No. 05-451 ... Resolution Authorizing and Directing the Director, Economic and Community Development Division, to begin negotiations with Grubb & Ellis to lease 48,000 sq. ft. of office space for the Department of Aging, etc.

Agenda Item #4 - Wednesday, October 26, 2005 - 9:00 a.m.

Dear Madam Chair and Members of the Committee:

This communication is to follow up to my letter of yesterday's date in connection with the above procurement file. Unfortunately our October 24, 2005 letter contained an inadvertent error on page 9 where the comparison figures were set forth.

The original letter indicated that the true value of the 310 Building's proposal was \$3,930,000 (\$3,000,000 + 180,000). However, we inadvertently omitted one of the components of that equation, namely the \$750,000 of relocation costs, which were included in the overall value. The actual summary of the true value should have been \$3,930,000 (\$3,000,000 + 750,000 + 180,000). (Correction underlined).

Accordingly, please find the enclosed corrected copy of my October 24th letter for you and the Committee members. I apologize for any inconvenience this may have caused.

Should you have any questions or comments, please do not hesitate to contact me.

Supervisor Elizabeth Coggs-Jones

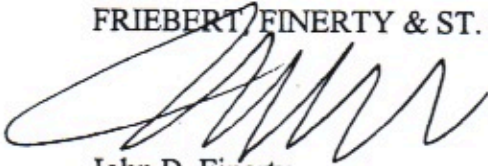
October 25, 2005

Page 2

Thank you for your attention to this communication.

Very truly yours,

FRIEBERT/FINERTY & ST. JOHN, S.C.



John D. Finerty

jdf@ffsj.com

JDF/kg

Enclosure

cc: All Members, Health and Human Needs Committee (w/encl. via messenger)
William Domina, Esq., Corporation Counsel (w/encl. via messenger)
Mr. Rob Dennik, Director, Division of Economic Development (w/encl. via messenger)

COUNTY OF MILWAUKEE
INTEROFFICE CORRESPONDENCE

Date: September 9, 2005

To: Craig Dillman
From: DPPI – AE & ES

Prepared by: Walter L. Wilson, AIA, NOMA

Subject: **Department of Aging/Behavioral Health Division Floor Space Study**

File Ref.: O:\WPDOC\ARENG\ARCH\WLWDOC\BHD-DA Study.doc

General Information:

The Behavioral Health Division (BHD) is responsible for floor space of 772,752 square foot, which includes a complex of buildings located in the Milwaukee County Medical Complex (the County Grounds) and is the target location to accommodate the relocation of the Milwaukee County Department on Aging (DA). Currently, the building on the County Medical Grounds houses six distinct service entities: the Mental Health Center, Food Services, the Day Hospital, the Child and Adolescent Treatment Center, the Day Hospital Chiller Building and the Storage Shed. The BHD Building is currently not fully occupied and DA has a need to move out of their current offices in Schlitz Office Park. This study will determine whether enough floor space exists in the BHD Building to handle the needs of DA. *Refer to Exhibit A and Exhibit B.*

Design Solution:

Alternate One – Meet with building representatives and locate vacant floor space inside the BHD Building. Assume that one location, Ward 4-3C on level 3, has an accessible area of approximately 10,000 square feet. Existing offices and patient room walls will remain in place and the rooms will be remodeled similar to those at the City Campus Building.

An analysis was conducted to determine how many employees could be relocated into the space. A respective cost estimate to remodel the designated office space or spaces is provided. *Refer to attached Alternate One.*

Alternate Two – Meet with building representatives and locate vacant floor space inside the BDH Building. Assume that the location, Ward 4-3C on level 3, has an area of approximately 10,000 square feet. Remove existing partitions and plumbing fixtures, restore ceilings, lighting and floors to provide open office space with few or no columns or spatial obstructions.

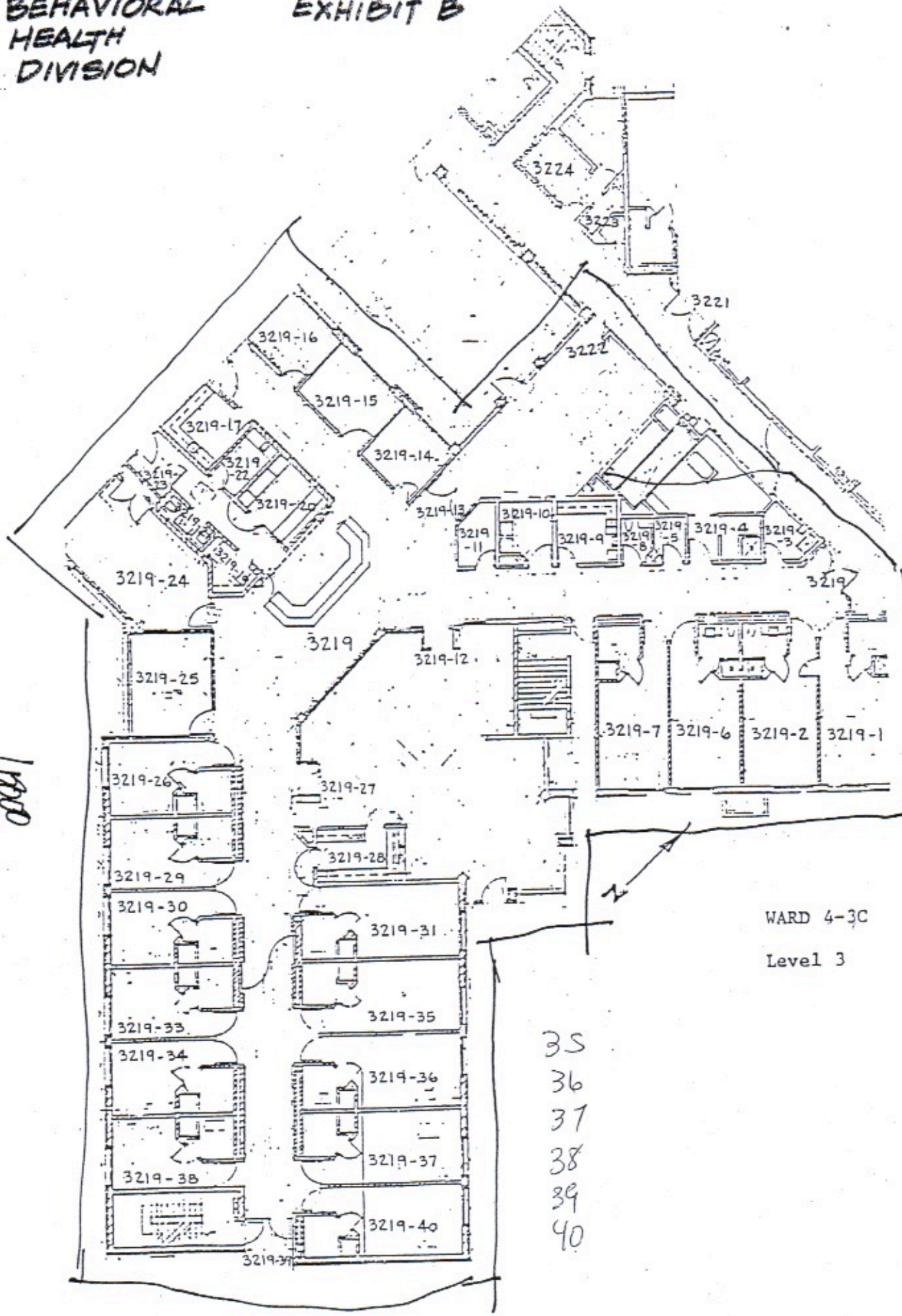
An analysis was conducted to determine how many employees could be relocated into the space provided. A respective cost estimate to remodel the designated office spaces is provided. *Refer to attached Alternate Two.*

3222
3223 BEHAVIORAL
3224 HEALTH
3219 DIVISION

EXHIBIT B

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loop



WARD 4-3C
Level 3

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ALTERNATE ONE

Room configurations to remain as is, with office assignments to existing patient rooms:

usable space: 15 patient rooms (~ 30 occupants ttl.); 8 misc. use areas (~34 occupants ttl.)*

occupancy total: ~ 64 persons, maximum.

per occupant cost: ~\$7,850.00

projected total cost: ~ \$502,200.00

Demolition	sf	10000	1.95	19,500
Interior Construction	sf	10000	29.25	292,500
Mechanical	ls	28500		28,500
Electrical	ls	38000		38,000
General Conditions	ls	40000		40,000
total construction costs				418,500
Project management				6,278
Owner's services				4,185
Planning & Design				50,220
Construction management				21,971
Disadvantaged business development				1,046

502,200

ALTERNATE TWO

Walls of many existing rooms are to be removed to provide an open office arrangement which will optimize space usage.

usable space: 15 patient rooms (~ 48 occupants ttl.); 8 misc. use areas (~39 occupants ttl.)*

occupancy total: ~ 87 persons, maximum.

per occupant cost: ~\$9,629.00

projected total cost: ~ \$837,720.00

Demolition	sf	10000	4.81	48,100
Interior Construction	sf	10000	48.1	481,000
Mechanical	ls	47500		47,500
Electrical	ls	67500		67,500
General Conditions	ls	54000		54,000
total construction costs				698,100
Project management				10,472
Owner's services				6,981
Planning & Design				83,772
Construction management				36,650
Disadvantaged business development				1,745

837,720

Department on Aging Space Needs Cost Layout (Best & Final Offers)

RFP Responses

Site	Cost/sq. ft.	2006 Cost	Term (yrs)	Improvement Allowance	Schiltz Park Restoration Charges	5 year Rent Cost	Total 5 year cost (less lease incentives***)	Total Five-year Space Costs
310 Wisconsin (48,000 sq. ft.)	\$15.13	\$750,000	5	\$0 (1,200,000 credit)	\$750,000	\$3,000,000	\$3,000,000	\$3,750,000
1025 Broadway - MSOE (48,000 sq. ft.)	\$17.50	\$840,000	5	\$0 (720,000 credit)	\$750,000	\$4,200,000	\$4,200,000	\$4,950,000
1126 S. 70th (48,000 sq. ft.)	\$15.00	\$720,000	5	\$0 (852,000 credit)	\$750,000	\$4,009,800	\$4,009,800	\$4,759,800
235 W. Galena (55,000 sq. ft.)*	\$15.00	\$720,000	5	\$0 (1,200,000 credit)	\$0	\$3,784,556	\$3,634,556	\$3,634,556
River Center - Schiltz Park (45,000 sq. ft.)	\$16.95	\$762,750	5	\$0 (1,125,000 credit)	\$0	\$4,009,259	\$3,859,259	\$3,859,259

Comments

The total five-year cost minus lease incentives includes the possible offsetting rent credit offers of \$150,000 at Schiltz Park (lease must be signed by 10/31/05). Moving costs are included in the improvement allowance.

The 310 Wisconsin building will provide two or three parking lots available for Aging clientele.

The restoration charge includes the removal of the HVAC unit, cabling infrastructure, IMSD equipment, a generator, fuel tanks, and other office furniture.

The Schiltz Park Restoration Charges would only apply if the Dept. on Aging moves out of their current location.

The County could recover some of \$750,000 restoration costs through the selling of the HVAC unit, computer equipment, and cabling.

Department of Aging Site Comparison

Information as presented to Committee

Site	SF Occupied	Cost/Sq Ft	2006 Cost	Term	Moving Costs	5 year Rent Cost	Total 5 year Rent Cost with Incentives	Tenant Improvement Allowance
310 Wisconsin Avenue	48,000	18.84	904,320	5 years	0 \$	4,521,600 \$	4,050,720 \$	960,000 \$
1020 Broadway - MISOE	48,000	17.50	840,000	5 years	0 \$	4,200,000 \$	4,200,000 \$	720,000 \$
1126 S 70th Street	48,000	15.00	720,000	5 years	0 \$	4,009,800 \$	4,009,800 \$	852,000 \$
235 W Galena	55,000	13.09	720,000	5 years	0 \$	3,784,556 \$	3,634,556 \$	1,200,000 \$
Schlitz RiverCenter	45,000	16.95	762,750	5 years	-	4,009,259 \$	3,859,259 \$	1,125,000 \$

Information taken into account the differences in tenant improvements being provided by having all sites meet the RFP request of \$25/

Site	SF Occupied	Cost/Sq Ft	2006 Cost	Term	Moving Costs	5 year Rent Cost	Total 5 year Rent Cost with Incentives	Tenant Improvement Allowance	TI Allowance Necessary to make	Additional TI amortized over Term at 8%	Total 5 Year Rent Cost with Incentives and making TI	Amount Site Costs exceed 235 W Galena over 5 years
310 Wisconsin Avenue	48,000	18.84	904,320	5 years	0 \$	4,521,600 \$	4,050,720 \$	960,000 \$	240,000 \$	58,396 \$	4,342,700 \$	708,144 \$
1020 Broadway - MISOE	48,000	17.50	840,000	5 years	0 \$	4,200,000 \$	4,200,000 \$	720,000 \$	480,000 \$	116,792 \$	4,783,960 \$	1,149,404 \$
1126 S 70th Street	48,000	15.00	720,000	5 years	0 \$	4,009,800 \$	4,009,800 \$	852,000 \$	348,000 \$	84,674 \$	4,433,171 \$	798,615 \$
235 W Galena	55,000	13.09	720,000	5 years	0 \$	3,784,556 \$	3,634,556 \$	1,200,000 \$	-	-	3,634,556 \$	-
Schlitz RiverCenter	45,000	16.95	762,750	5 years	-	4,009,259 \$	3,859,259 \$	1,125,000 \$	-	-	3,859,259 \$	224,703 \$

Dept on Aging Space Needs Cost Layout

Alternative 1 - RFP Responses

Site	Cost/Sq. Ft.	2006 Cost	Term (yrs)	Improvement Allowance	Moving Costs****	5 year Rent Cost	Total 5 year cost (less lease Incentives****)
310 Wisconsin (48,000 sq. ft.)	\$18.84**	\$904,320	5	\$0 (980,000 credit)	\$0	\$4,521,600	\$4,050,720
1025 Broadway - MSOE (48,000 sq. ft.)	\$17.50	\$840,000	5	\$0 (720,000 credit)	\$0	\$4,200,000	\$4,200,000
1126 S. 70th (48,000 sq. ft.)	\$15.00	\$720,000	5	\$0 (852,000 credit)	\$0	\$4,009,800	\$4,009,800
235 W. Galena (55,000 sq. ft.)*	\$15.00	\$720,000	5	\$0 (1,200,000 credit)	\$0	\$3,784,556	\$3,634,556
River Center - Schiltz Park (45,000 sq. ft.)	\$16.95	\$762,750	5	\$0 (1,125,000 credit)	\$0	\$4,009,259	\$3,859,259

- Comments**
- * Changed for 48,000 sq. ft.
 - ** Square footage cost is based upon a 5-year cost average of leased space.
 - *** The total five-year cost minus lease incentives includes the possible offsetting rent credit offers of \$150,000 at Schiltz Park (lease must be signed by 10/31/05) and \$470,880 at 310 Wisconsin Federal Building.
 - **** Moving costs included in improvement allowance

Alternative 2a - County-owned Space (Cash funded)

Site	Cost/Sq Ft	Annual Operating Cost*	Building Improvement Cost	Moving Cost	Month to Month Space Cost @ Schiltz Park	Total**
City Campus (36,626 sq. ft.)	\$ 11.00	\$402,886	\$6,000,000	\$81,870	\$1,328,586	\$7,813,342
BHD Building (10,000 sq. ft.)	\$ 11.00	\$110,000	\$502,200	\$81,870	\$0	\$694,070
Total:		\$512,886	\$6,502,200	\$163,740	\$1,328,586	\$8,507,412

- Comments**
- * Annual operating cost is based on \$11/sq-ft, which is the County-wide charge for space.
 - ** The total cost for renovating and modifying County-owned space reflects the cost of Aging's 48,000 space need.
 - *** Assumes that the County will provide cash for the financing of the Aging
 - **** The month-to-month cost reflects the total space rental expenditure (7 months) at Schiltz Park, while City Campus and BHD are being renovated.

Alternative 2b - County-owned Space (Bond Financing)

Site	Cost/Sq Ft	Annual Operating Cost*	Building Improvement Debt Service	Moving Cost	Month to Month Space Cost @ Schiltz Park	Total**
City Campus (36,626 sq. ft.) & BHD Building (10,000 sq ft.)	\$ 11.00	\$2,095,007	\$7,347,515	\$163,740	\$1,328,586	\$10,934,848
Total:		\$2,095,007	\$7,347,515	\$163,740	\$1,328,586	\$10,934,848

- Comments**
- Bond financing is based on a five-year issuance for comparable cost analysis to the cash financing options.
 - **** The month-to-month cost reflects the total space rental expenditure (7 months) at Schiltz Park, while City Campus and BHD are being renovated.

Approved [Signature]

Dept on Aging Space Needs Cost Layout

Alternative 1 - RFP Responses

Site	Cost/Sq. Ft.	2006 Cost	Term (Yrs)	Improvement Allowance	Moving Costs****	5 year Rent Cost	Total 5 year cost (less lease incentives****)
310 Wisconsin (48,000 sq. ft.)	\$18.84**	\$904,320	5	\$0 (960,000 credit)	\$0	\$4,521,600	\$4,050,720
1025 Broadway - MSOE (48,000 sq. ft.)	\$17.50	\$840,000	5	\$0 (720,000 credit)	\$0	\$4,200,000	\$4,200,000
1126 S. 70th (48,000 sq. ft.)	\$15.00	\$720,000	5	\$0 (950,000 credit)	X \$0	\$4,009,800	\$4,009,800
235 W. Galena (55,000 sq. ft.)*	\$15.00	\$720,000	5	\$0 (960,000 credit)	X \$0	\$3,764,556	\$3,634,556
River Center - Schiltz Park (45,000 sq. ft.)	\$16.95	\$762,750	5	\$0 (950,000 credit)	X \$0	\$4,009,259	\$3,859,259

x-change

- * Charged for 48,000 sq. ft.
- ** Square footage cost is based upon a 5-year cost average of leased space.
- *** The total five-year cost minus lease incentives includes the possible offsetting rent credit offers of \$150,000 at Schiltz Park (lease must be signed by 10/31/05) and \$470,880 at 310 Wisconsin Federal Building.
- **** Moving costs included in improvement allowance

Alternative 2a - County-owned Space (Cash funded)

Site	Cost /Sq Ft	Annual Operating Cost*	Building Improvement Cost	Moving Cost	Month to Month Space Cost @ Schiltz Park	Total **
City Campus (36,626 sq. ft.)	\$ 11.00	\$402,886	\$6,000,000	\$81,870	\$1,328,586	\$7,813,342
BHD Building (10,000 sq. ft.)	\$ 11.00	\$110,000	\$502,200	\$81,870	\$0	\$694,070
Total:		\$512,886	\$6,502,200	\$163,740	\$1,328,586	\$8,507,412

- * Annual operating cost is based on \$11/sq.ft, which is the County-wide charge for space.
- **The total cost for renovating and modifying County-owned space reflects the cost of Aging's 48,000 space need.
- *** Assumes that the County will provide cash for the financing of the Aging
- **** The month-to-month cost reflects the total space rental expenditure (7 months) at Schiltz Park, while City Campus and BHD are being renovated.

Site	Cost /Sq Ft	Annual Operating Cost*	Building Improvement Debt Service	Moving Cost	Month to Month Space Cost @ Schiltz Park	Total **
City Campus (36,626 sq. ft.) & BHD Building (10,000 sq. ft.)	\$ 11.00	\$2,095,007	\$7,347,515	\$163,740	\$1,328,586	\$10,934,848
Total:		\$2,095,007	\$7,347,515	\$163,740	\$1,328,586	\$10,934,848

- Comments
- Bond financing is based on a five-year issuance for comparable cost analysis to the cash financing options.
- **** The month-to-month cost reflects the total space rental expenditure (7 months) at Schiltz Park, while City Campus and BHD are being renovated.

APPENDIX I

Site	Location in Building	Security	Hours	Utilities	Parking	First Refusal	Conference Room	Freight Elevator	Amenities	Things to look at
310 Wisconsin	5th & 6th floor	On-site, key card access	Normal business, M-F	Separately metered lights & plugs	70 on-site, remainder half block away	On continuous space, 45 days	Lg. Conference room, common, 2nd fl	Yes	Capital Grill, Pill & Puff, Skywalk to mall, Hotel	Security, ADA Compliance
1025 Broadway (MSOE)	1st floor	On-site, key card access	7-10 M-F, 7-1 S, 24 hr access	Included	6 on surface lot, 30 in garage, 164 at 1000 N. Water	On continuous space, 45 days	3rd fl, large, rest in build-out	Yes	Building conference room, 3rd fl cafeteria	ADA compliance
1126 S. 70th	1st floor	On-site, key card access	7-10 M-F, 7-1 S, 24 hr access	Included	On site, first come first serve	On continuous space, 45 days	3 Free, booked through office	Yes	Conference rooms, Deli, Sundry Shop	ADA compliance
235 Galena (Schiltz)	4th, 5th & 6th floor	In complex, key cards	6:30-6 M-F	Included	10 Handicapped, 10 reserved, rest in complex	10 day notice	In build-out	Yes	Italian restaurant	ADA compliance
River Center (Schiltz)	2nd floor	On-site, key card access	6:30-6 M-F	Included	10 Handicapped, 10 visitor, 130 structure, 50 on grounds	On continuous space, 10 days	In build-out	Yes	Coffee kiosk, Deli	ADA compliance
Existing (ends 12/31/05)	1st floor	On-site, key card access	6:30-6 M-F	\$.41/sq. ft. credit	525 spaces within 650 ft.	N/A	In suite	Yes	Brown bottle	

APPENDIX I

Site	5 year Rent Cost (includes escalators)	Square footage	\$/sq.ft	Monthly cost (1st yr) in \$	1st Year cost (\$)	Term (yrs)	Improvement Allowance	Total Improvement (\$)	HVAC	Escalator (per year)	Special Circumstances
310 Wisconsin	4521600*	48000 (additional 7000 available)	18.84 (5 yr average)	75360	904320	5	\$25/sq. ft., \$15.13 for plan, leaving \$9.87 credit	960000	After hours \$30/hr per floor	3%	470880 rebate - additional 216,000 for moving and cabling expenses
1025 Broadway (MSOE)	4200000	48000 (additional 7000 available)	17.5	70000	840000	5	\$15. sq. ft., additional costs amortized over lease @ 8%	720000	No additional charge	None	Wide open 1st floor
1126 S. 70th	4009800	48000	15	60000	720000	5	\$25/sq. ft., includes cabling, move, build-out, furniture	852000	No additional charge	4.50%	None
235 Galena (Schlitz)	3784556 **	55000****	15	60000	720000	5	\$25/sq. ft., includes buildout, furniture, cabling	1200000	After hours \$50/hr	2.50%	\$150000 credit if lease signed by Oct. 31, given 55000 sq. ft., only charged for 48000 (revenue opportunity?)
River Center (Schlitz)	4009259 ***	45000	16.95	63562	762750	5	\$25/sq. ft., includes buildout, furniture, cabling	1125000	No additional charge	2.50%	None
Existing (ends 12/31/05)	N/A	33696	15.79	49214	590572	5	N/A	N/A	No additional charge	N/A	N/A

* Potential rebate lowers total cost to \$4,050,780
 ** \$150000 rent credit if lease is signed by 10/31, bringing total cost down to \$3634556
 *** \$150000 rent credit if lease is signed by 10/31, bringing total cost down to \$3859259
 **** Only charged for 48,000 sq. ft.

**INTEROFFICE
MEMO**

Milwaukee County
Department of Administrative Services
Economic and Community Development Division
CDBG • Economic Development • Special Needs • Home Repair • Housing Choice Voucher
Telephone: (414) 278-4905 Fax: (414) 223-1917

DATE : September 20, 2005
TO : Supervisor Elizabeth Coggs-Jones, Chair, Health and Human Needs Committee
Supervisor Richard D. Nyklewicz, Jr., Chair, Finance & Audit Committee
FROM : Robert R. Dennik, Director, DAS – Economic & Community Development
SUBJECT : Department of Aging Office Space Lease

ISSUE

The current lease for the Department of Aging with Schlitz Brewery Works ends effective December 31st, 2005. As such, the Director of Economic Development was authorized to distribute a Request for Proposals (RFP) in order to obtain proposals for sites to which the Department of Aging could potentially move. Proposals needed to be received by August 31st, 2005 to receive consideration.

BACKGROUND

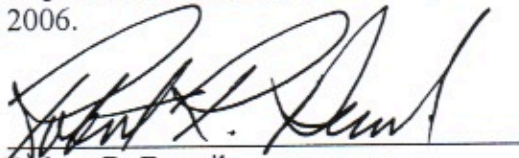
Five proposals were received, each meeting the minimum requirements as noted in the RFP. Staff from the Department of Aging, Division of Human Services and DAS - Economic & Community Development reviewed these proposals, and placed the information, including rental fees, improvement allowances and amenities, of each proposal in the attached matrix (Appendix I) for comparative purposes. At the request of the Economic Development Committee, a study of the Behavioral Health Division building was also completed (Appendix II). Following this initial review, the sites were toured to see each facility and have any questions answered.

Following thorough analysis of each proposal, it was decided that the Executive Building at Schlitz Park (the current location of the Department of Aging), located at 235 W. Galena, provided the best price, highest improvement allowance and the best value for the taxpayer. Additionally, should the lease be signed prior to October 31st, Schlitz Brewery Works is offering a \$150,000 rebate, lowering the total cost further. Schlitz Brewery Works also provides 55,000 sq. ft. while only charging for the 48,000 sq. ft. as requested in the RFP. This presents an opportunity for cost savings either through relocation of existing County personnel or additional revenue through subletting. The landlord will also allow the Department of Aging to remain in their current space, without the holdover penalty found in the current lease, should improvement of their new space be finished after December 31st.

Should Milwaukee County decide not to enter into negotiations with Schlitz Park for a new lease, but choose to remain in Schlitz Park after December 31st, 2005, when the current lease expires, the Milwaukee County Department of Aging and Milwaukee County will be obligated for the entire 140,033 sq. ft. currently contracted, at a rate of \$189,798.57 per month, compared to \$60,000 per month under the proposed terms of the new lease.

RECOMMENDATION

Based on the review of the proposals submitted, we recommend that the Director of Economic & Community Development be authorized to enter negotiations with Schlitz Brewery Works for 48,000 square feet of office space for the Milwaukee County Department of Aging, for a five-year term, in an amount not exceeding \$720,000 for 2006.



Robert R. Dennik
Director, Economic & Community Development

Pc: Scott Walker, County Executive
Linda Seemeyer, Director, Department of Administrative Services
Stephen Agostini, Fiscal and Budget Administrator

INTEROFFICE
MEMO

Milwaukee County
Department of Administrative Services
Economic and Community Development Division
CDBG • Economic Development • Special Needs • Home Repair • Housing Choice Voucher
Telephone: (414) 278-4905 Fax: (414) 223-1917

DATE : September 28, 2005
TO : Milwaukee County Aging RFP
FROM : Bob Dennik – Director Economic & Community Development
SUBJECT : Aging RFP Final & Best offer

The Milwaukee County Human needs committee today instructed me to offer to the five respondents of the Milwaukee County Aging RFP to solicit a best and final offer if you choose to respond. The response deadline is Wednesday, September 28, 2005 by 5pm. Responses may be hand delivered to the divisions office at 2711 W. Wells Street or faxed 414-223-1917 or email rdennik@milwcnty.com

Enclosed is a chart of respondent's offers of the August 31, 2005 deadline.

Thank you for interest in providing space for Milwaukee County if you have any questions please contact me at 414-278-4083.

Schlitz Park Restoration Charge includes removal of listed items:

1. Generator diesel ground floor
2. Fuel Tanks 2ea ground floor
3. Phone switching gear 4 cabinets total 2 cabinet can be reused ground floor
4. Liebert UPS 225KVA 5th floor
5. PDU computer room 6th floor
6. Eye wash 5th floor fan room
7. Helon fire protection system 2 tank 6th floor stock room
8. Computer room floor, ceiling and walls
9. Communications cabling and terminating hardware all floors
10. Security system card readers north and south ground fl. entrance, north entrance (main) 1st fl, IMSD's 6th fl front and back entrance and 6th floor computer entrance (3each) Liebert AC units (2 each) 6th floor computer room.

Milwaukee County Board of Supervisors

7203

4

HEALTH HUMAN NEEDS Committee Hearing Registration

28 SEPT
DATE

Name Andrew Jensen

Address 411 E. Wisconsin

Organ. Represented The Boerke Co.

Subject or File No. 05-451

(Please check one)

Registering For _____ Against _____

Appearing For X Against _____

For Information Only _____

Wish to Speak on the Matter _____

REMARKS: _____ (over)

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 9/29/05

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Resolution Authorizing the Director of Economic Development to Enter into Negotiations with Grubb & Ellis-310 Wisconsin Avenue for the Department on Aging Office Space Needs.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input checked="" type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	3,000,000
	Revenue	0	0
	Net Cost	0	3,000,000
Capital Improvement Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Department of Administrative Services (DAS) – Economic and Community Development Division requests approval to enter into negotiations with Grubb & Ellis (310 Wisconsin Avenue) for 48,000 square feet of office space for the Milwaukee County Department on Aging (Aging). The lease is for a five-year term at a cost of \$3,000,000.

B. The Economic & Community Development Division received a final offer from Grubb & Ellis for a five-year lease cost of \$3,000,000. The total lease cost includes: utilities, parking, security, and various building amenities. Grubb & Ellis also provided a tenant improvement allowance of \$1,200,000 to cover Aging's design and build-out costs.

There will be restoration costs that the County will be liable for with Aging moving out Schlitz Park. There is an estimated cost of \$750,000 for the removal of an HVAC unit, IMSD computer equipment, office furniture, and other mechanical components. This item will be negotiated during lease discussions with Grubb & Ellis to determine the specific amount each party is willing to cover.

C. The 2006 cost for the space rental is approximately \$500,000. The lease costs for subsequent years will be escalated upon a negotiated annual payment schedule.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

Department/Prepared By DAS-Fiscal Affairs, Michael Compton.

Authorized Signature *Michael Compton*

Did DAS-Fiscal Staff Review? Yes No

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : September 27, 2005
TO : Supervisor Elizabeth Coggs-Jones, Chairman, Health & Human Needs Committee
FROM : Robert R. Dennik, Director, Economic & Community Development
SUBJECT : Assessment of Space Alternatives for the Department on Aging

Background

The department's current lease at Schlitz Park (floors one and five) will lapse on December 31, 2005, and will automatically renew on a month-to-month basis if they fail to vacate the space by January 1, 2006. As such, on August 1, 2005, the Milwaukee County Economic & Community Development Division released a request for proposal to identify 48,000 square feet of available office space for the Department on Aging (Aging). Proposals were due Wednesday, August 31, 2005 at 4:00 pm. The department received five responses to the Aging Offices space RFP.

Following analysis of all five proposals, staff recommended that the County select the proposal for office space located at 235 W. Galena (Schlitz Park) based on the fact that they offered the lowest rental cost, highest improvement allowance and attractive lease incentives. Additional information was requested by the Committee, which is presented in this report.

For the Committee's convenience, an updated cost matrix, including an estimated debt service schedule that is attached to this report as Appendices I and II, respectively.

Space Assessment

Schlitz Park – 235 West Galena

Aging has the opportunity to remain at their current location for a total five-year cost of \$3,784,556. There is an improvement allowance of \$1,200,000, which was the highest of all proposals. The allowance is a set amount of funds available to Aging for all space build-out costs. This allowance can be used for multiple purposes including moving expenses, space improvement, furniture purchase, and other similar uses. In addition, Schlitz Park will provide a \$150,000 credit if the lease is signed by October 31, lowering the total 5-year cost to \$3,634,556.

The reserved County parking spaces at Schlitz Park are located within 630 feet of County offices. There are currently 18 designated handicapped spaces that are

accessible at Schlitz Park. The number and location of handicapped spaces, as well as other ADA compliance issues, could be changed based on negotiations and pursuant to County needs.

The current RFP for Aging space requests a five-year lease term. A two-year lease term could be negotiated at County discretion. This option would likely cause rental costs to increase, and reduce any potential improvement allowances. Additionally, the County could pursue an extension on the rent credit deadline. However, both options would require the County to issue a new Request for Proposal to allow any interested party to respond to these new terms and to offer additional or revised incentives.

County Owned buildings

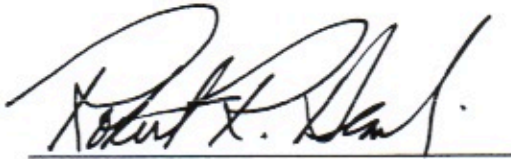
The Committee directed DAS to evaluate available County-owned space for Aging. In 2001, DPPI-A&E commissioned a feasibility study for the renovation of the City Campus five-story administration building (*Scope of Work* attached as Appendix III). In September of 2005, A&E completed a Behavioral Health Division (BHD) floor space study to locate vacant space for Aging (Appendix IV). In order to meet the sq. ft. needs as assessed in the attached space study (Appendix V), both spaces would need to be used. Per a memo submitted by Aging, separating operations in this manner would adversely affect Aging's ability to serve clients (Appendix VI).

The space feasibility reports for both facilities indicated a total of 46,626 square feet of available space for Aging. The City Campus site provides 26,626 square feet of office space in the unoccupied five-story administration building and 12,000 square feet on the sixth floor of the nine-story building. However, both locations will need to be renovated and improved to establish a code compliant building and work environment. The project cost to rehabilitate, move the department, and operate the two locations would be approximately \$10,900,000 (See attached cost layout for further detail). This cost amount includes the month-to-month expenditure of \$189,798 for Aging to remain at Schlitz Park, while the County space is reconditioned.

Additional Information Requested

Approximately 40-50 clients come to the Aging facility for service each month. A study of Aging's clients by zip code has been attached (Appendix VII). BHD currently has 593 total parking spaces, with 797 permits issued. The parking lot at City Campus currently has 189 spaces, the majority of which are currently occupied by County staff, with limited available street parking. Both areas can be accessed by Milwaukee County Transit.

Staff Analysts: Michael Compton
Daniel Schreiber

A handwritten signature in black ink, appearing to read "Robert R. Dennik", written over a horizontal line.

Robert R. Dennik
Director, DAS – Economic & Community Development

Pc: Scott Walker, County Executive
Lee Holloway, Chair, Milwaukee County Board of Supervisors
Linda Seemeyer, Director, Department of Administration
Stephen J. Agostini, Fiscal & Budget Administrator