

**SITE CONTROL REPORT**  
**COMMON COUNCIL OF THE CITY OF MILWAUKEE**

**DATE**

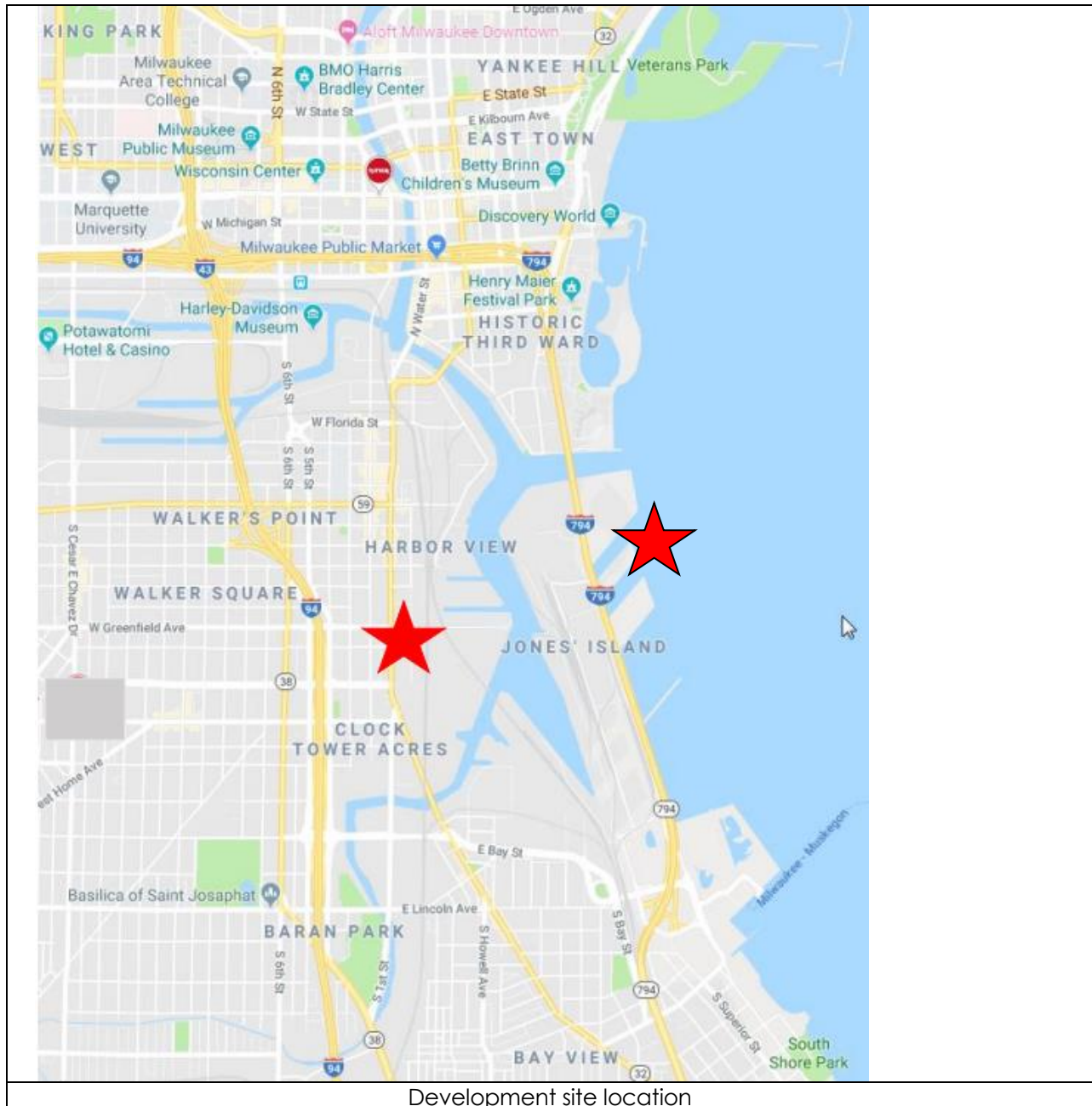
November 1, 2022, Common Council  
December 5, 2022, City Plan Commission  
December 15, 2022, Redevelopment Authority of the City of Milwaukee ("RACM")  
January 10, 2023, Zoning and Neighborhood Development

**RESPONSIBLE STAFF**

Yves LaPierre, Program Manager, Department of City Development ("DCD")

**PROPERTY**

200 East Greenfield Avenue: Lot 4 in Freshwater Plaza, owned by RACM. Final development site in the Freshwater Plaza redevelopment. Approximately 68,000 square feet of site to be developed with associated parking and landscaping and a water feature at the southern end of the site.



Development site location



**DEVELOPER AND PROJECT DESCRIPTION**

Developer selected is Rule Enterprises LLC ("RULE"). RULE was one of the three respondents to DCD's Request for Proposal ("RFP"). RULE has undertaken several housing developments in the City of Milwaukee ("City"). RULE proposes to build a mixed-use commercial and residential structure according to the guidelines of the RFP. New building will have ground floor commercial and community serving spaces with 140 units of housing above. Project has a budget of \$34,000,000.00. The project will be competing for Wisconsin Housing and Economic Development Authority's ("WHEDA") low income housing tax credit program to subsidize the development of affordable rental units.

RULE is seeking an "exclusive right to negotiate" with the City for the Properties in order to allow time to apply to WHEDA in January of 2023 for the tax credits and to determine whether WHEDA will allow the credits for this development.

During the WHEDA application and review period, DCD will work with RULE to refine RULE's site and building elevations, budget and financing strategy and development plans.





Rule Enterprises Proposal for Freshwater Plaza



Rule Enterprises Proposal for Freshwater Plaza Ground Level



Rule Enterprises Proposal for Freshwater Plaza Upper Levels

**TERMS AND CONDITIONS OF EXCLUSIVE RIGHT TO NEGOTIATE**

The Exclusive Right to Negotiate letter shall be in effect until June 30, 2023 or until WHEDA makes its 2023 award announcement, whichever comes first. In the event RULE is awarded WHEDA tax credits, DCD may extend the site control for up to two, six-month periods, based upon the Buyer's written request and DCD approval of a satisfactory progress report. After WHEDA tax credit approval, DCD will negotiate with RULE a Development Agreement and prepare a Land Disposition Report ("LDR") and a Due Diligence Checklist for Common Council consideration so that the Common Council may determine whether, under Milwaukee Code of Ordinances 304-49, to allow sale and conveyance of the Properties to RULE. If RULE does not obtain WHEDA tax credit approval for the project in 2023, then the Exclusive Right to Negotiate shall terminate.

## DUE DILIGENCE CHECKLIST – FRESHWATER PLAZA

Market value of the property.	\$1,900,000.00. Market Rate building site for development in an area of the City with many new housing projects completed in the past years.
Full description of the development project.	Please see LDR for details.
Complete site, operations and scope of work for development.	Please see LDR for details.
Developer's project history.	RULE has completed numerous housing projects in the City.
Capital structure of the project, including sources, terms and rights for all project funding.	Please see LDR for details.
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	DCD staff determined that there is very low risk in selling the property, based on the Developer's track record developing previous projects in the City.
Tax consequences of the project for the City.	The deed of conveyance will contain a restriction prohibiting the Developer, its assignee or its successors from applying to the City for tax-exempt property status. Development of City land with new homes will greatly increase taxable value of property.