

LAND DISPOSITION REPORT**REDEVELOPMENT AUTHORITY****COMMON COUNCIL OF THE CITY OF MILWAUKEE****DATE**

July 2, 2024

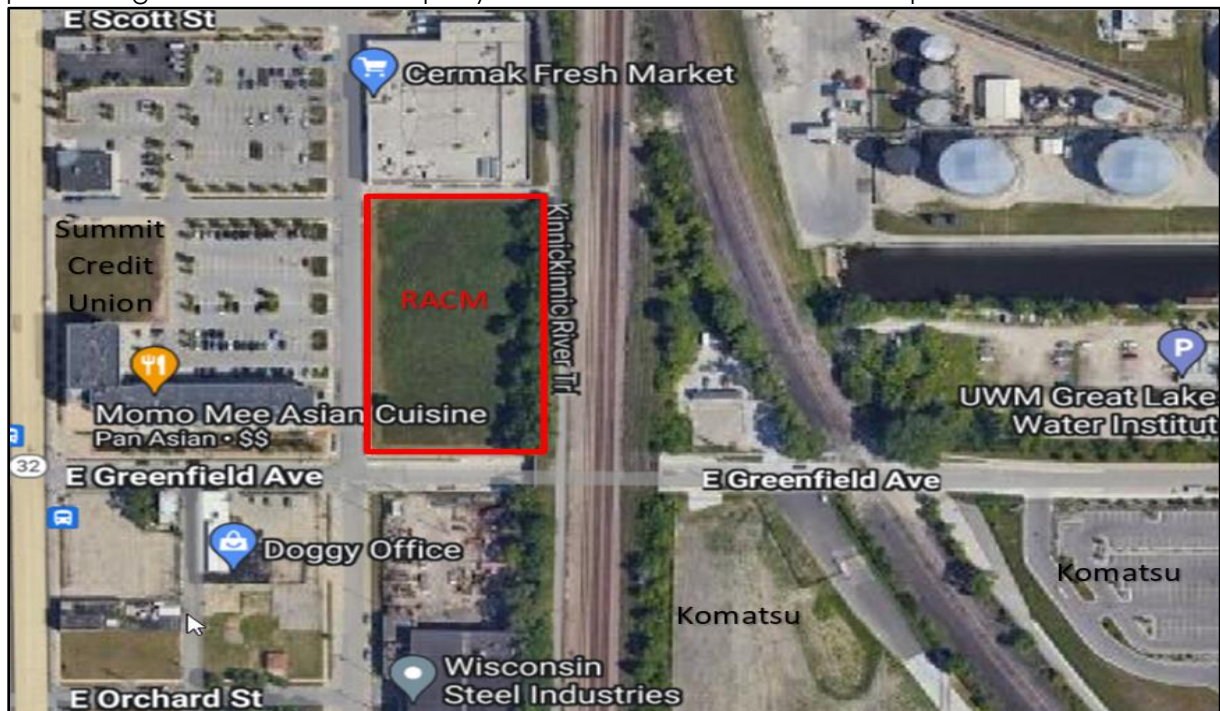
RESPONSIBLE STAFF

Matthew Haessly, DCD Real Estate

REDEVELOPMENT PROJECT AREA, PARCEL ADDRESS AND DESCRIPTION

The Port of Milwaukee Redevelopment Plan was adopted in 2010, Amendment No. 1 was adopted in 2011 in part to eliminate blighting influences and environmental concerns within the Redevelopment Plan boundary. Amendment No. 2 to the Port of Milwaukee Redevelopment Plan Project Area was adopted in 2014 to facilitate the Freshwater Plaza development. The Redevelopment Authority of the City of Milwaukee ("RACM") acquired 200 E. Greenfield Avenue (the "Property") in 2015 in accordance with the Port of Milwaukee Redevelopment Plan.

The Property is the final redevelopment parcel within the Freshwater Plaza district and consists of an approximately 88,758 square foot vacant lot of which 68,400 square feet is developable due to pre-existing easements. The Property is zoned "PD" or Planned Development.



BUYER – KIN AT FRESHWATER LLC is a special purpose entity formed to hold title to the Property and undertake the redevelopment project, to be managed directly or indirectly by Rule Enterprises LLC ("Rule Enterprises") and the Emem Group, LLC ("Emem Group").

Rule Enterprises, LLC

Brandon Rule, Chief Executive Officer

Brandon is the founder and Chief Executive Officer of Rule Enterprises, LLC, a Real Estate Development firm that uses commercial real estate as its primary tool of investment. Specializing in affordable housing, Rule Enterprises has developed over \$200M in affordable housing with another \$1B+ currently in its pipeline.

Brandon boasts a wealth of experience in master development planning. His strategic vision and keen understanding of the urban fabric have been instrumental in the transformation of several large-scale, mixed-use, and mixed-income communities. With a portfolio that includes multiple master-planned developments, Brandon's knack for envisioning and creating thriving, integrated communities has garnered widespread recognition in the industry. His expertise spans identifying ideal locations and creatively utilizing land resources, to coordinating with architects, designers, and government agencies to realize innovative and community-focused master plans. Known for his meticulous approach, Brandon ensures every project aligns with local needs, environmental sustainability, and economic viability. His ability to seamlessly blend affordable and conventionally financed developments within these master plans underscores his commitment to creating inclusive and vibrant communities. Through his leadership, Rule Enterprises continues to leave an indelible mark on urban landscapes, highlighting Brandon's exceptional acumen in master development planning.

Brandon has recently been named by Yahoo Finance as a top 20 real estate investor to look out for, Milwaukee Business Journal's 40 under 40, Associate in Commercial Real Estate (ACRE) Graduate, serves on the Advisory Board for both Virginia Tech's and Marquette University's College of Business Real Estate Departments and is also a proud member of Alpha Phi Alpha Fraternity Inc.

EMEM Group, LLC

Michael Emem, President & CEO.

Michael is a proven leader in the built industry, with over 19 years of experience in architectural design, construction management and real estate development. A Milwaukee native, he has managed over \$130M in construction and development projects, including over 600 housing units. His career objective is to create socially responsible real estate projects in areas that have historically lacked investment, and his company's mission statement is simple – to build communities and revitalize neighborhoods.

Since inception in 2018, Emem Group has been successful at its mission, having completed \$73M in development projects ranging from single family to multifamily housing, commercial office, a medical clinic, and an art gallery. Emem Group is currently involved in several catalytic projects throughout Milwaukee, most notably the \$240M future Milwaukee Public Museum, the new \$55M Bronzeville Center for the Arts, and the \$39M MLK Library & Apartments.

Michael graduated from UW-Milwaukee with a Bachelors in Business Administration concentrating in Finance and Real Estate. He also holds an Associates in Architectural Technology from Milwaukee Area Technical College. Michael is also a graduate, and Valedictorian of the 2015

ACRE class and was a Milwaukee Business Journal 40 Under 40 recipient at age 25. He is a proud husband and father of four.

PROJECT DESCRIPTION

The following statement was provided from the Buyer. "The Kin at Freshwater Plaza", spearheaded by Rule Enterprises LLC and Emem Group, LLC, represents a landmark endeavor in affordable housing, driven by a mission to foster community, inclusivity, and sustainability within Milwaukee's Harbor District neighborhood. This project is not just about constructing buildings; it's about creating a vibrant, inclusive community that acknowledges the importance of diversity, affordability, and connectivity.

The vision for the Kin at Freshwater Plaza is to create a mixed-income residential community that stands as a beacon of innovation, inclusivity, and opportunity. By offering 140 units, including 113 income-restricted and 27 market-rate apartments, this development aims to address the critical need for affordable housing in Milwaukee. It seeks to provide not just a place to live, but a place where individuals and families of all ages can thrive, supported by a nurturing environment that fosters community connections, personal growth, and economic opportunity."

The overall development will provide approximately 140 residential units, 1,300 square feet of commercial space and 96 covered and surface parking spaces on the east side of the building, an outdoor plaza and water feature are being proposed along the Greenfield Avenue frontage that together represent the "Development."





View Looking North



View Looking Northeast



View Looking East



View Looking Southeast

The estimated budget is \$45,300,000. The proposed financing structure includes equity from low income housing tax credits, tax exempt bond financing, Tax Incremental Financing, Brownfield Revolving Loan Fund, deferred developer fees and other grants and loans. In addition, at Closing, RACM will provide the Buyer with settlement funds held by RACM in the amount of

\$74,404.26 to assist Buyer with soil management efforts relating to the approved Wisconsin Department of Natural Resources ("DNR") closure requirements. Buyer shall provide RACM with reasonable documentation from the DNR as to said closure on or before the date upon which a Certificate of Occupancy is issued for the Project.

PURCHASE TERMS AND CONDITIONS

The purchase price for the Property is \$1,200,000 to be paid as follows: (1) \$700,000 by wire transfer or cashier's check at Closing and (2) \$500,000 Seller's Note issued at Closing having a 5-year term with annual interest to accrue and be paid in accordance with the June 2024 Applicable Federal Rate. The Purchase and Sale Agreement ("PASA") will specify that the conveyance will be on an "as is, where is" basis. It is contemplated that the Development will be substantially completed within 24 months after Closing as evidenced by a Certificate of Occupancy for the Project. The sale proceeds, less certain expenses and reimbursements, shall be deposited into the appropriate RACM account (and credited to the Milwaukee TID capital fund).

Additional deed of conveyance restrictions and covenants will include: (a) a restriction prohibiting the Buyer and its successors from applying to the City for tax-exempt property status per Milwaukee Code of Ordinances 304-49-13; and (b) reversionary language such that if the Buyer does not substantially complete the Development as evidenced by a Certificate of Occupancy within 24-months of Closing, RACM will have the option (but not the obligation) to retake title to the Property subject to certain repayment obligations to Developer.

Additionally, at Closing, the Buyer will also provide RACM with a \$10,000 performance deposit to guarantee the timely substantial completion of the Development, as evidenced by the issuance of Certificate of Occupancy for the Development within 24-months of Closing.

The Buyer shall be required to comply with the Anti-Displacement Neighborhood Preference Policy in Common Council File No. 190401. Since the Property is within the 53204-zip code the Preference Policy shall designate and prioritize at least 20 percent of the affordable housing units within the Project Site to existing residents within the 53204-zip code.

The PASA will require Buyer's acceptance of responsible party status (DNR BRRS 02-41-576420) for the Property.