

SITE CONTROL REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

December 4, 2019

RESPONSIBLE STAFF

Matt Haessly, Real Estate Specialist, DCD

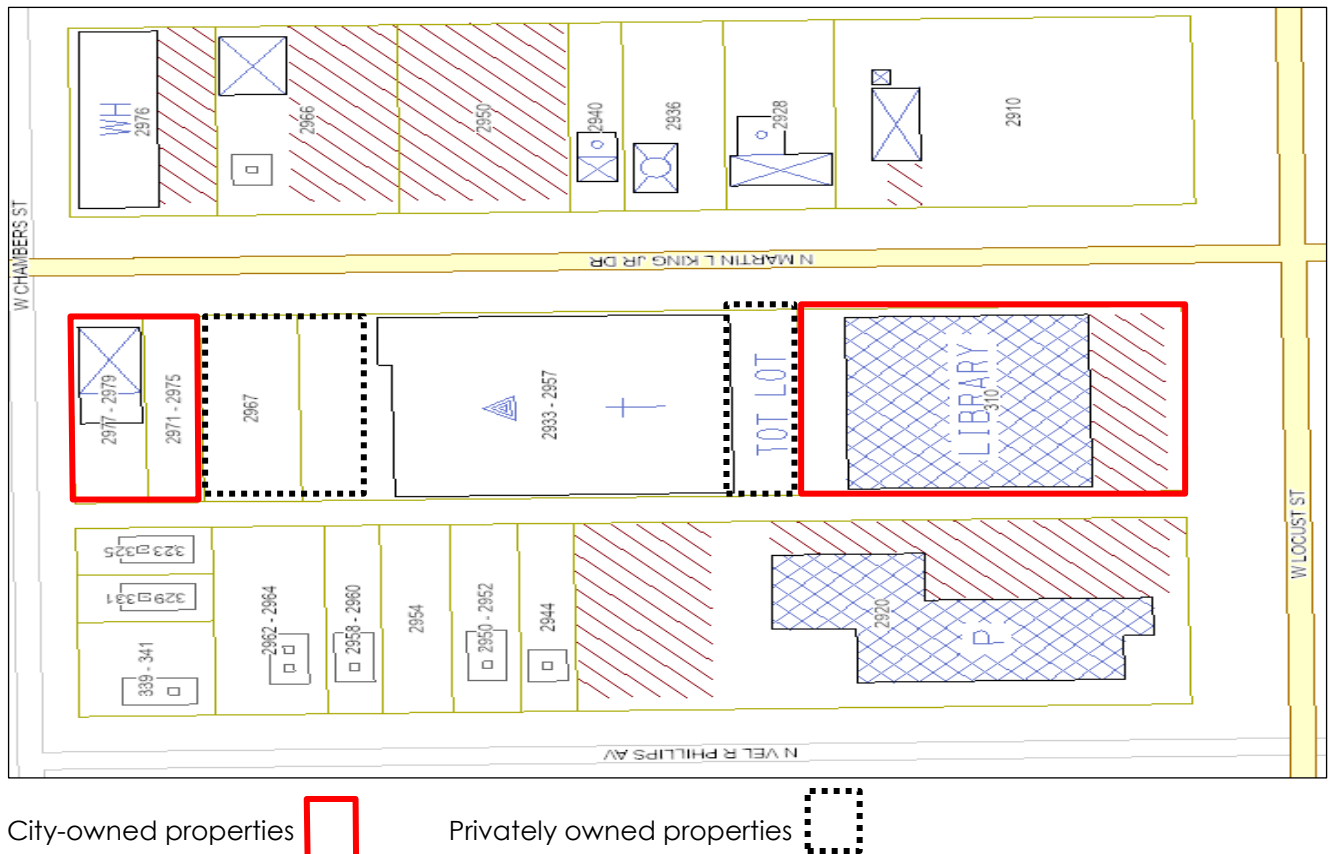
CITY PARCEL ADDRESSES AND DESCRIPTION

310 West Locust Street: Between 1968-1970, the City of Milwaukee acquired four parcels with a combined area of approximately 30,600 square feet to construct the Dr. Martin Luther King Milwaukee Public Library. The library opened in 1971 and has been in operation since.

2971-75 N. Dr. Martin Luther King Jr. Drive: This vacant lot is approximately 4,500 square feet and was acquired through property tax-foreclosure in 1997.

2977-79 N. Dr. Martin Luther King Jr. Drive: This vacant mixed-use building is situated on a nearly 6,200 square foot parcel and was acquired through property tax-foreclosure in 2015.

Zoning: All three properties are zoned LB2 or Local Business.



City-owned properties 

Privately owned properties 

DEVELOPER SELECTION

On September 26, 2016, the City of Milwaukee ("City") acting through the Board of Trustees of the Milwaukee Public Library (the "Board") sent out a Request for Proposal for the development of a new Milwaukee Public Library facility to replace the Martin Luther King Library at 310 West Locust Street, Milwaukee. On December 20, 2016, the Board selected Young Development Group, LLC ("Young") as the developer of a mixed-use building incorporating a new library and residential units at 310 West Locust Street, Milwaukee, (the "Locust Parcel").

Young has since partnered with General Capital Development, LLC ("General Capital", and collectively with Young, "the Developer"). The Developer proposes to expand the project to include the construction of additional residential units at 2971-75 and 2977-79 North Dr. Martin Luther King Jr., Drive, Milwaukee, WI (the "King Parcels", collectively with Locust Parcel, the "Property").

On November 26, 2019, the Board voted and approved entry into an Exclusive Right to Negotiate for the Locust Parcel with the Developer. This Exclusive Right to Negotiate shall be in effect until June 30, 2020, pending December 17, 2019, Common Council approval Resolution File No. 191277.

DEVELOPMENT TEAM

Mr. Lavelle Young is the sole owner, sole manager and sole member of Young Development Group, LLC. Young Development Group, LLC was founded in 2016. This proposed development would be Mr. Young's first completed development project. Mr. Young is the fourth generation family member having grown up in the Harambee Neighborhood right across the street from the King Drive Library Branch that he was selected to redevelop. In 2016, he graduated from the ACRE Program as the top graduate of his cohort.

Since starting Young Development Group, LLC, Mr. Young has located his company office in the Harambee Neighborhood on the King Drive corridor (2772 North Martin Luther King Jr., Drive) and has remained committed to the neighborhood, pursuing other development opportunities.

Outside of Young Development Group, LLC, Lavelle continues to serve as a Board Member of Public Allies Milwaukee, Team Lead for the African American Leadership Alliance of Milwaukee Sustainability Circle, and Founder of Building Blocks in Bronzeville, a Community Wealth Building Initiative. Through his leadership roles, Lavelle has acquired a broad range of skills such as crafting innovative solutions, strategizing and planning, organizing, and project management. Lavelle has committed himself to using these skills and talents to improve the quality of life for citizens of the Greater Milwaukee community. He believes that leadership should be done by example and should foster a chain reaction which will create a pipeline of future leaders.

General Capital Group, LLC was founded in 1996. General Capital Group, LLC is a leading real estate firm, headquartered in Milwaukee, Wisconsin. The firm's core business is the development, acquisition and management of high quality office, industrial, retail and residential properties, with an emphasis on build-to-suits.

The partners of General Capital Group, LLC have been involved in the development, management and ownership of affordable multi-family housing project since the 1980s. The firm's commitment to affordable housing involves three complimentary pursuits: development of affordable rental

housing, acquisition and rehabilitation of affordable housing and the development of affordable-for-sale housing units. General Capital Group, LLC has facilitated construction of over 2,000 affordable residential units. The firm has completed numerous projects in the City of Milwaukee including the Beerline B Apartments, Hide House Lofts and the historic renovation of the School Sisters of St. Francis convent (Maria Linden).

PROJECT DESCRIPTION

The Developer is proposing to raze the existing library building at 310 West Locust Street and construct a new mixed-use building with a new library, commercial space, residential units and associated parking. The proposed development will entail the Developer acquiring the southern portion of the privately owned green space at 2933-57 North Martin Luther King Jr., Drive.

On the north end of the same block, the Developer proposes to construct a new multi-unit residential building with associated parking. The proposed development will entail acquiring the City-owned properties at 2971-75 and 2977-79 North Martin Luther King Jr., Drive and raze the vacant mixed-use building at the 2977-79 North Martin Luther King Jr., Drive. In addition, the Developer will need to acquire the privately owned vacant lot at 2967 North Martin Luther King Jr., Drive and the northern green space associated with the privately owned property at 2933-57 North Martin Luther King Jr., Drive.

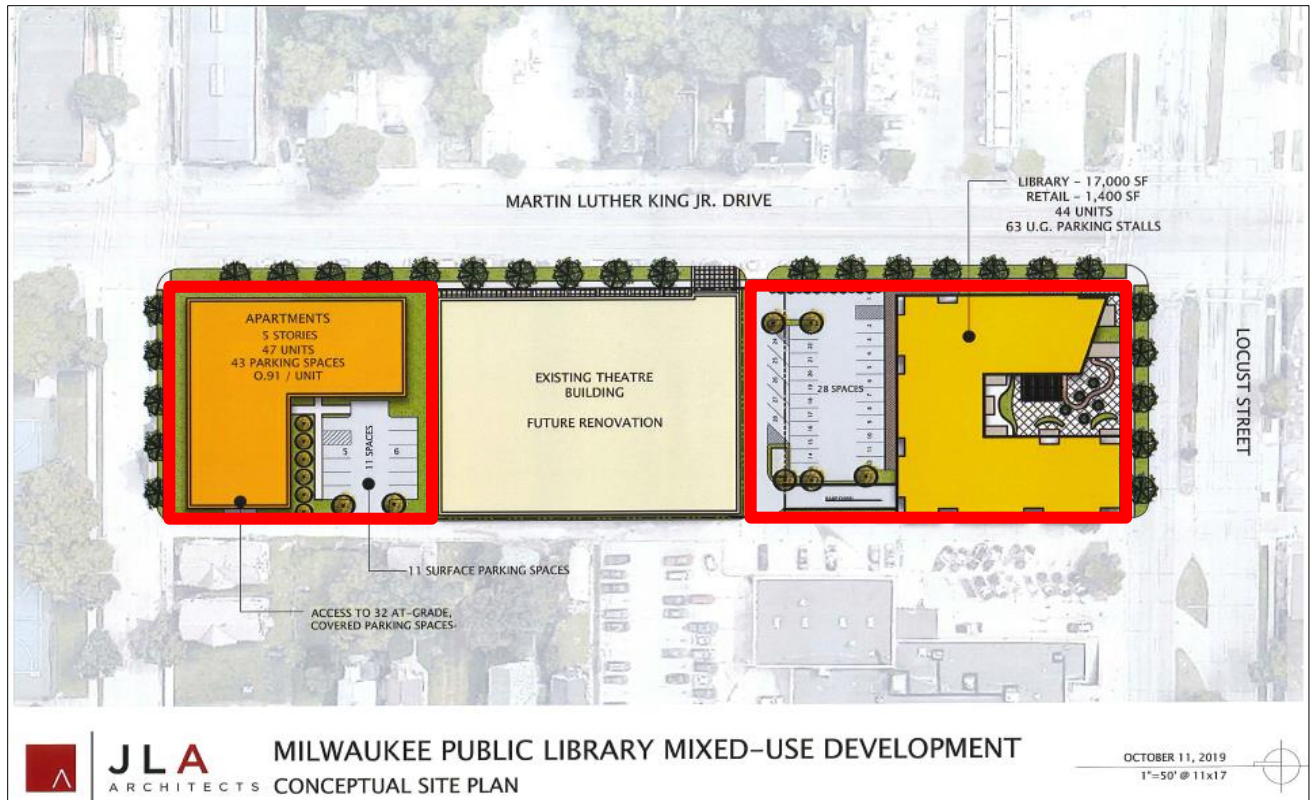
The two buildings will have approximately 90 residential units and the preliminary budget is approximately \$28 million. One of the primary funding sources for the proposed development is the Wisconsin Housing and Economic Development Authority's ("WHEDA") low income housing tax credit program.

The Developer is seeking an "Exclusive Right to Negotiate" with the Board and City of Milwaukee for the Property in order to allow Developer time to apply to WHEDA for the tax credits and to determine whether WHEDA will allow the credits for this development. The WHEDA applications are due January 17, 2020 and a decision by WHEDA is expected in spring 2020.

During the WHEDA application and review period, the Department of City Development ("DCD") will work with Developer to refine Developer's site and building elevations, budget and financing strategy and development plans.



PROJECT SITE  Privately owned properties 



Project Site Plan (City and Privately owned properties) 

TERMS AND CONDITIONS OF EXCLUSIVE RIGHT TO NEGOTIATE

The Exclusive Right to Negotiate letter shall be in effect until June 30, 2020.

After WHEDA tax credit approval, DCD and MPL will negotiate with the Developer the terms of the sale, purchase, and development of the Property and prepare corresponding documents including a Land Disposition Report, Due Diligence Checklist, purchase, sale, and development agreement(s), and other necessary documents for Board and 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 Property to the Developer.