

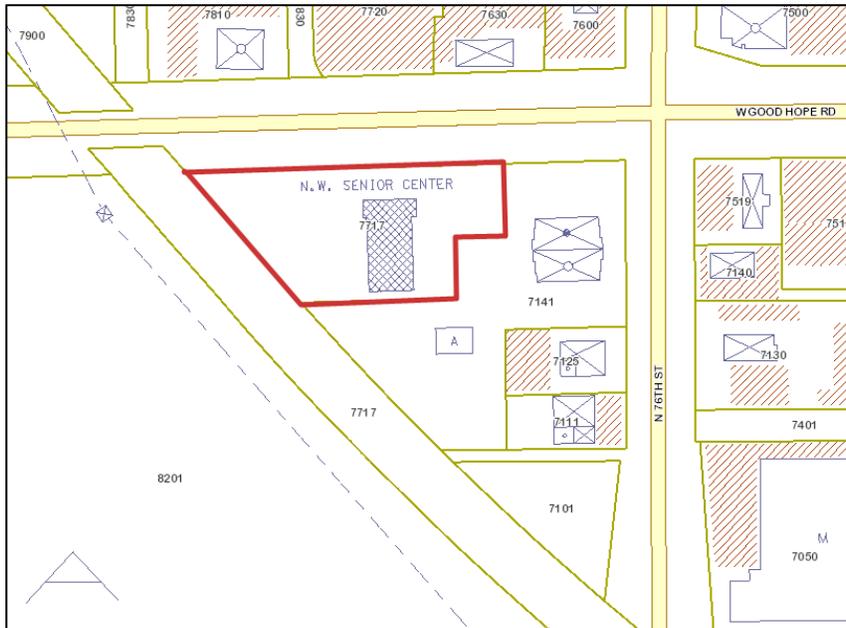
SITE CONTROL REPORT COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE
February 13, 2017

RESPONSIBLE STAFF
Amy Turim, Real Estate Development Services Manager (414-286-5732)

PARCEL ADDRESS AND DESCRIPTION

The City-owned parcel located at 7717 West Good Hope Road (the "Property") has an area of approximately 95,988 square feet. The Property is zoned CS or Commercial Service. The Property is currently improved with an 11,500 square-foot vacant building. The Property is located in the Menomonee River Hills East neighborhood, in the 9th Aldermanic District, and has been declared surplus to municipal needs by previous actions of the Common Council.



BUYER

A new entity to be created by partners Maures Development Group, LLC and Royal Capital Group, LLC for the purpose of this transaction (the "Buyer"). The Buyer was selected by the Milwaukee Public Library ("MPL") Board of Trustees through a competitive request for proposals process.

Maures Development Group, LLC ("Maures"), founded in 2006, is owned by Melissa N. Goins. Maures has a strong history of both residential and commercial development in the City of Milwaukee ("City"), including many catalytic projects and partnerships. Maures is committed to community improvement through focus on redevelopment in Milwaukee's central city neighborhoods. Previous projects include the Century City Lofts located on North 35th Street south of Capitol Drive, the SoHi Lofts and Lindsay Heights NSP scattered site partnership with the City of Milwaukee, Teutonia Gardens on the northwest corner of Teutonia and Center, Heart and Hope Place on North Dr. Martin Luther King Jr. Drive, and Franklin Square on Center and Hadley Streets near 14th Street. Current multi-family projects include the Historic Garfield Apartments and The Griot in Milwaukee. Maures has developed and owns over 225 apartment residences, with an aggregate development total of nearly \$45,000,000.

Royal Capital Group, LLC ("Royal Capital"), founded in 2010, is owned by President Kevin Newell. Royal Capital has developed \$100,000,000 in multi-family and mixed-use assets within its market area. Royal Capital has worked diligently to partner strategically and promote the community opportunities through its subsidiary companies and Urban Chance non-profit. Previous projects include the Maple Lawn Apartments in Fitchburg, WI; the Seven Oaks Apartments in Madison, WI; the 5th Avenue Lofts and the Arbor Green Apartments in Kenosha, WI; the 700 Lofts in Milwaukee, WI; and the Silvercrest Apartment Community in Silver Lake, WI. Current multi-family projects include the upcoming Hills Luxury Commons in Historic Brewers Hill and the Madison East in Madison, WI.

PROJECT DESCRIPTION

The Buyer proposes to raze the existing structure and construct a new building on the Property. The Buyer proposes a 65-unit apartment building, with a 17,500 square-foot branch of the MPL on the first floor (collectively, the "Development"). The Development will be subdivided into at least two condominium units that will include one first floor unit to be a new public library branch and a second unit to be residential rental apartments. The apartment portion of the Development will feature one, two and three-bedroom apartments. The Development will include at least 61 parking spaces for the library and a separate parking lot having 65 parking spaces for the apartment tenants. The Buyer proposes to finance a portion of the estimated \$11.5 million investment through Federal Low-Income Housing Tax Credits allocated through the Wisconsin Housing and Economic Development Authority ("WHEDA").

The Buyer is seeking a letter of site control from the City that can be included in its WHEDA application that is due in March of 2017. The Buyer will work with MPL, the City Attorney's Office and the Department of City Development to finalize details of the Development.

The Development will be the new location of the Mill Road Library, replacing the existing public library branch located at 6431 North 76th Street.



Above: Conceptual design view from the northwest from Good Hope Road.
Building will be located at 7717 West Good Hope Road.
Below: Conceptual design view of the building from the northeast.



Below: Buyer's draft site plan 7717 West Good Hope Road.



SITE PLAN

PURCHASE TERMS AND CONDITIONS

The site control letter shall be in effect until December 31, 2017, which allows time for a 2017 award from WHEDA for a tax-credit allocation. The City is permitted to terminate the site control letter if the Buyer fails to submit a tax-credit application to WHEDA by the March 2017 deadline or if the Development is not awarded a WHEDA tax-credit allocation. The City may extend the site control letter for up to two six-month periods, based upon the Buyer's written request and DCD-approval of a satisfactory progress report.

The purchase is contingent upon the negotiation of final sale terms and a purchase and development agreement between the City, MPL and the Buyer. The Buyer has contemplated a \$78,000 purchase price for the Property. The purchase is contingent upon approval of the terms by MPL and award of WHEDA tax credits.

If the Development is awarded WHEDA tax credits, then the Common Council will be presented with a land disposition report for consideration, along with a term sheet for the purchase and a development agreement for the Development. Closing is contingent upon all necessary public bodies, including but not limited to, DCD and MPL approving the Buyer's site plans, building elevations, and the Buyer providing firm financing for the Development. Conveyance will be by quit claim deed on an "as is, where is" basis. The Property will be sold as taxable property. The sale and development agreement among the Buyer, MPL and the City will contain a payment in lieu of taxes (PILOT) agreement should property tax exemption be applied for in the future. However, the PILOT agreement shall not apply to any portion of the property subsequently sold to MPL for the library branch.