

# SITE CONTROL REPORT

## COMMON COUNCIL OF THE CITY OF MILWAUKEE

### DATE

November 9, 2020

### RESPONSIBLE STAFF

Matt Haessly, Real Estate Specialist, Department of City Development

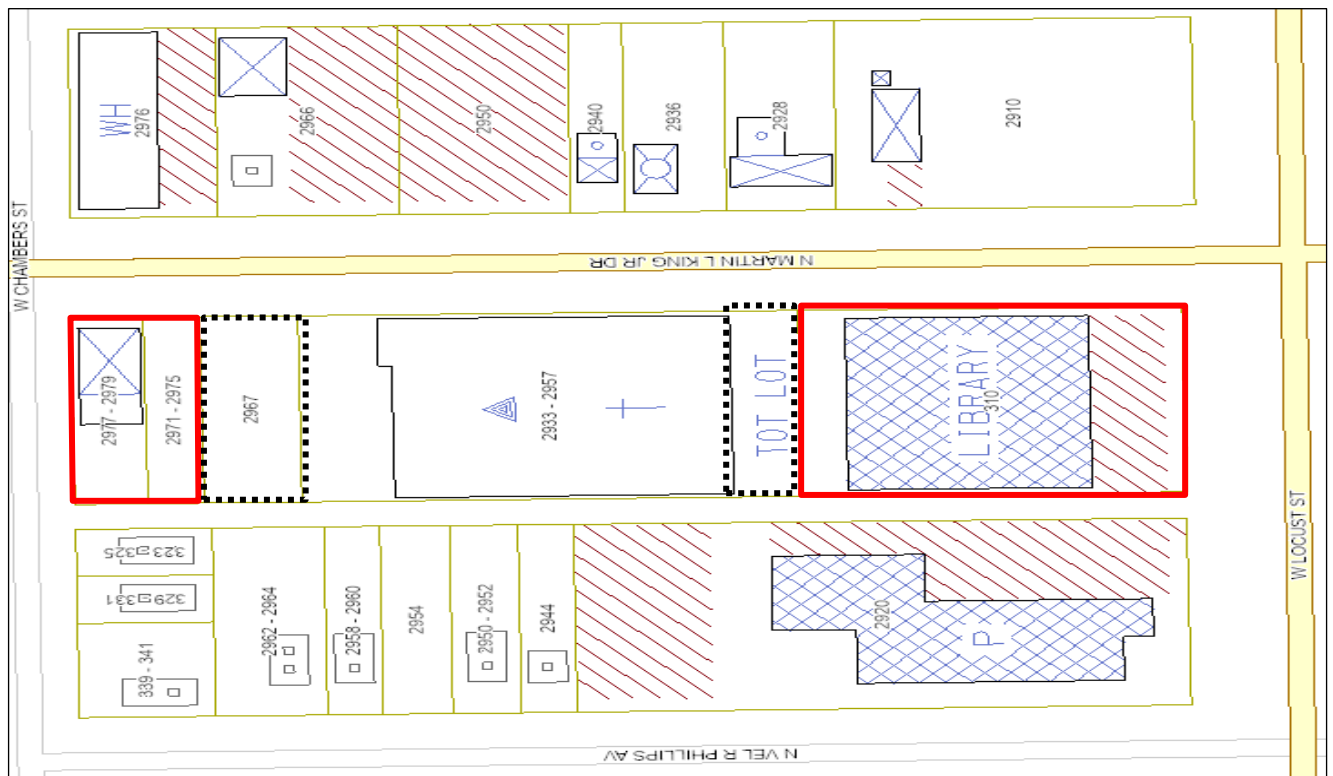
### CITY PARCEL ADDRESSES AND DESCRIPTION

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 Martin Luther King Milwaukee Public Library. The library opened in 1971 and has been in operation since.

2971-75 North 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 North 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").

The project was subsequently expanded 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"). Young ultimately partnered with General Capital Group, LLC ("General Capital") on the project around October/November 2019.

The Young/General Capital development team applied for tax credits through Wisconsin Housing and Economic Development Authority ("WHEDA") in December 2019 and learned in April 2020 that the project did not receive an award. In July 2020, the Milwaukee Public Library Board of Directors ("MPL") ended its relationship with Young and requested that General Capital remain involved in the project with a new minority development partner.

The new development team is a joint venture between General Capital and Michael Emem of the EMEM Group, LLC ("Developer"). MPL approved Michael Emem as the new development partner in October 2020.

Despite not being awarded tax credits in 2020, WHEDA strongly suggested that the project be resubmitted in December 2020 under the newly reissued Qualified Allocation Plan. In order to qualify under the WHEDA application, site control must be demonstrated. Accordingly, because the previously approved Exclusive Right to Negotiate expired on June 30, 2020, the Developer is requesting an updated approval for an Exclusive Right to Negotiate.

## **DEVELOPMENT TEAM**

General Capital Group, LLC ("General Capital") was founded in 1996. General Capital 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 (market rate and affordable), with an emphasis on build-to-suits.

The partners of General Capital 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 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).

General Capital has a long and successful track record developing affordable housing projects not just in the City of Milwaukee, but throughout Wisconsin, Illinois and Michigan.

### **EMEM Group, LLC**

Established in 2014, EMEM Group, LLC ("EMEM") is a Milwaukee based design build real estate firm specializing in residential architecture structural engineering, construction management and real estate development consulting services. EMEM is passionate about mission based and community

centered projects that strengthen neighborhoods, specifically in areas that have historically lacked investments. Core project profiles from a design build perspective have included new construction and alterations under \$1.0M. From an owner's representative position, EMEM specializes in multi-family and commercial projects valued between \$1M-\$20M in total development costs.

Michael Emem

Michael is a known leader in the built industry with over 15 years' experience in architectural design, construction management and real estate development. He has a demonstrated ability to oversee projects of various types, and with over 50 new homes built and another 60 homes rehabbed, has played a key role in the revitalization of Milwaukee's inner-city neighborhoods.

Michael is process driven and has a keen ability to bring people together to achieve project and stakeholder goals. His objective is to contribute to the creation of socially responsible real estate projects in areas that have historically lacked investment.

Michael has been recognized by the Milwaukee Business Journal as a 40 Under 40 recipient and by the Milwaukee Times Black Excellence Awards as a Corporate Trailblazer. He is also Board Chair of We Got This, Inc., a grass roots organization focused on black male mentorship through community gardening. Michael is married and a father of four.

Michael earned a BBA in Finance with a Real Estate Certificate from the University of Wisconsin – Milwaukee; an A.S. in Architectural Technology from Milwaukee Area Technical College and graduated first in his class from the Associates in Commercial Real Estate (ACRE) Program at Marquette University.

#### **PROJECT DESCRIPTION**

The Developer will acquire 310 West Locust Street for \$1.00 and raze the existing library building 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, for \$1.00 each, 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 \$29M. One of the primary funding sources for the proposed development is the 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 December 11, 2020 and a decision by WHEDA is expected in Spring 2021.

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 December 31, 2021.

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 of the City of Milwaukee ("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.