

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

**DATE**

September 10, 2019

**RESPONSIBLE STAFF**

Dwayne Edwards, Program Manager, DCD

**SITE ADDRESS AND DESCRIPTION**

7350 and 7350R North 76th Street (the "Properties") were acquired through Properties tax foreclosure in 2016 and 2017 respectively. The total combined lot size that makes up the Properties is approximately 433,956 square-feet, or 9.92 acres. The Properties is located in the Granville Strategic Plan Area.

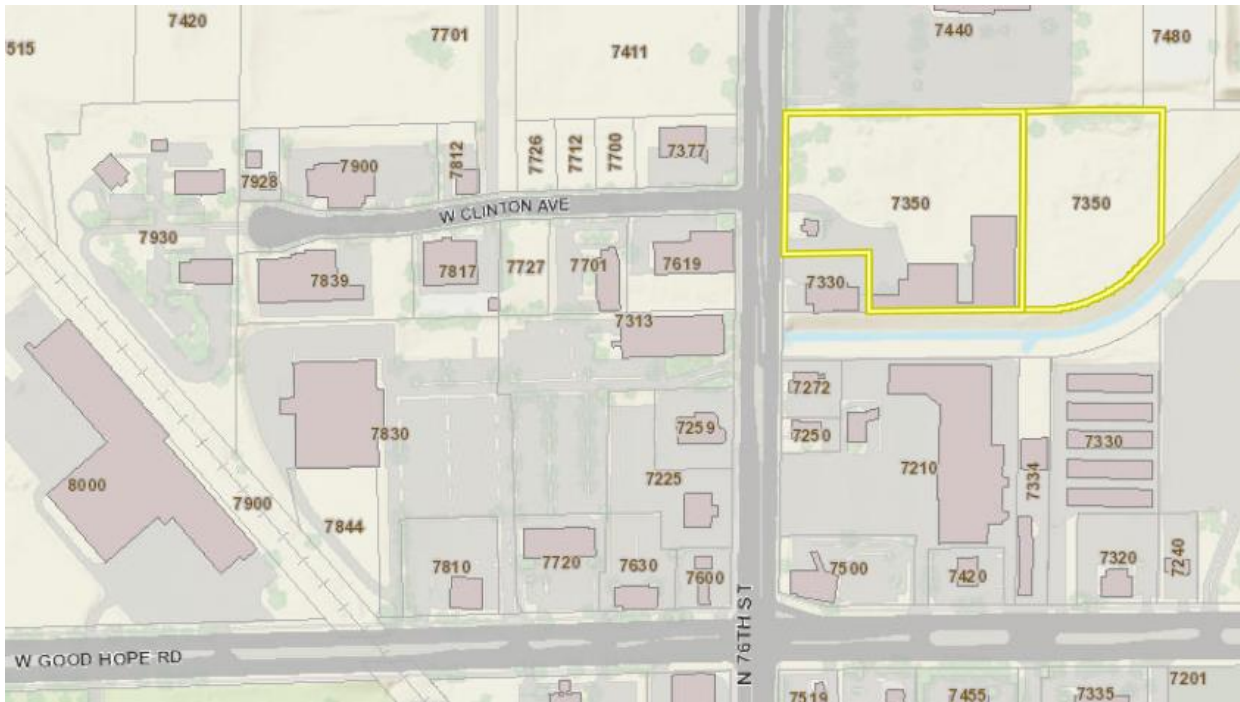
The Properties are mostly vacant land, but also is improved with two industrial buildings. Additionally, there is a vacant residential house constructed in the 1970's. The industrial buildings are currently occupied by a tenant. The Properties lend themselves to creative development concepts, due in part to its vast size. The parcel at 7350 North 76th Street is zoned CS (commercial service). The parcel at 7350R North 76th Street is zoned IL1 (light-industrial). If the proposed development requires a zoning change and/or land combination, such a request will be coordinated with the sale authorization.

The Properties were one of several catalytic project sites featured in the Granville Charrette which was completed in 2017.

The Properties were previously owned by Melvin Johnson who operated the former Johnson's Park and Mini Golf. The Department of City Development ("DCD") had issued a Request for Proposals ("RFP") for the Properties, seeking a distinctive adaptive reuse or innovative new construction concept for the Properties.

**Aerial Map:**





## BUYER

The proposed developer is Rule Enterprises LLC ("RULE"). Brandon Rule is the sole-owner and sole member of RULE. Mr. Rule recently completed construction of a 60-unit affordable housing development named, "Seven04 Place Apartments," near South 7th Street and West National Avenue. Mr. Rule, a 2010 graduate of Milwaukee's Associates in Commercial Real Estate Program ("ACRE"), recently received WHEDA Affordable Housing Tax Credits for a new housing development at the City-owned tax foreclosed Properties at 1313-31 West National Avenue.

## DEVELOPER SELECTION AND PROJECT DESCRIPTION

RULE was the only respondent to DCD's Request for Proposals at Properties. RULE proposes to do the following in the submission:

- 1) Demolish the existing structures on the Properties
- 2) Combining the two parcels that make up the Properties by deed restriction into one lot
- 3) Remediate any environmental issues if warranted; and
- 4) Construct on the Properties an affordable housing development
- 5) Construct a boutique hotel
- 6) Construct or add a recreational use

A staff review of the buyer's preliminary budget indicates Mr. Rule's feasibility is in line with the 2011 ACRE class case study for this site. The design and value add to the community, as well as the agreement with the Granville area comprehensive plan are additional reasons to support this proposal.

RULE's preliminary budget is \$18 million. One of the primary funding sources for RULE's proposed development is the Wisconsin Housing and Economic Development Authority's ("WHEDA") low income housing tax credit program. The buyer is seeking site control for the Properties in order to allow RULE to apply to WHEDA for the tax credits and to determine whether WHEDA will award the credits for this development. WHEDA applications are due December 1, 2019 and a decision by

WHEDA is expected in the summer of 2020. During the WHEDA application and review period, DCD will work with RULE to refine site and building elevations, budget and financing strategy and development plans.

**TERMS AND CONDITIONS OF SITE CONTROL**

The City will supply RULE with a letter of site control, which shall be in effect until June 19, 2020 or until WHEDA makes its 2020 award announcement, whichever comes first.

In the event RULE is awarded WHEDA tax credits, DCD may extend the site control letter for up to three, six-month periods, based upon RULE'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 and a Due Diligence Checklist for Common Council consideration so that the Common Council may determine whether to allow sale and conveyance of the Properties to RULE.

If RULE does not obtain WHEDA tax credit approval for the project in the 2020 award announcement, then RULE's site-control shall terminate on the date of the announcement.

Developer's site control is for WHEDA application purposes and seeking funding, as well as due diligence, but does not alter or impact DCD's landlord tenant relationship. Developer will be required to provide DCD with notice of any inspections on the Properties so that tenants will receive proper notice.