

SITE CONTROL REPORT

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE & COMMON COUNCIL OF THE CITY OF MILWAUKEE

DATE

April 18, 2024

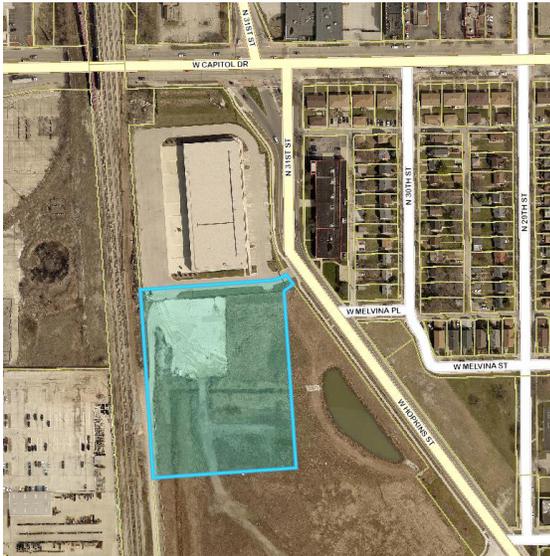
RESPONSIBLE STAFF

Benji Timm, Project Manager, Department of City Development

CITY PARCEL ADDRESSES AND DESCRIPTION

3055 West Hopkins Street (Tax Key No. 269-0452-000): The Redevelopment Authority of the City of Milwaukee (RACM) acquired the Century City Business Park in December 2009 and conducted extensive demolition and environmental cleanup activities between 2010 and 2014. In 2014 the City approved Certified Survey Map No. 8629 which created Lot 2 (3055 W. Hopkins St.) with an area of 206,667 sq. ft. or 4.744 acres.

Zoning: The property is zoned IH or Industrial Heavy.



RACM-owned property =



Conceptual development plan.

DEVELOPER SELECTION

The City of Milwaukee (City) and RACM created the Century City Redevelopment Corporation and partnered with General Capital to develop the Century City 1 building at 3945 North 31st Street in 2015. General Capital had initially planned to acquire 3055 West Hopkins Street to construct a second flex industrial building. In 2018 the Century City Redevelopment Corporation and General Capital sold their interests in the Century City 1 building to Good Opportunity Fund 1, LLC. Good Opportunity Fund 1, LLC announced on October 12, 2021 that the Century City 1 building is full and they are interested in developing a second flex industrial building at 3055 West Hopkins Street to accommodate additional tenants.

RACM and the Common Council authorized an Exclusive Right to Negotiate with an investor associated with Good Opportunity 1, LLC in November 2021 and then authorized an extension in January 2023. The initial development did not proceed due to the shortage and high costs of

building materials, interest rates, limited availability of New Market Tax Credits, and other circumstances.

In early 2024 MDKS Development, LLC submitted an unsolicited offer to purchase for 3055 West Hopkins Street and Wisconsin State Statute 66.1333(9)(b) allows RACM to entertain an Exclusive Right to Negotiate and to sell the property without public bidding, but only after a public hearing is held by RACM and the Common Council.

MDKS Development, LLC or a related entity would acquire and develop the property at 3055 West Hopkins Street.

DEVELOPMENT TEAM

MDKS Development, LLC is led by Michael DeGrave and Kyle Stephens. Michael is an experienced entrepreneur with a strong business development background in the retail/e-commerce industry. He has built start-ups from the ground level and maintaining a growth strategy to maximize company growth through sales, mergers, or acquisitions. Kyle is a registered Certified Public Accountant with years of experience in finance, small business management, and the craft beer industry. Both Michael and Kyle are investors in the Century City 1 Building and are co-founders of Craft Beverage Warehouse, LLC (CBW). Since 2022, CBW has invested more than \$8 million in digital can printing equipment and has seen substantial growth in their market share. They need additional space and want to grow their footprint at the Century City Business Park.

PROJECT DESCRIPTION

MDKS Development, LLC is seeking an Exclusive Right to Negotiate with RACM for 3055 West Hopkins Street. This will allow the development team time to seek financing and secure tenants for the new building.

MDKS Development, or a related entity, would acquire 3055 West Hopkins Street and develop a 50,000-square foot flex industrial building similar to the Century City 1 Building. The price of the land will be negotiated during the Exclusive Right to Negotiate period.

During the negotiation period RACM staff will work with development team to refine site plan and building elevations, budget, financing strategy and development plans.

TERMS AND CONDITIONS OF EXCLUSIVE RIGHT TO NEGOTIATE

The Exclusive Right to Negotiate letter shall be in effect for nine months from the date the Common Council resolution is certified.

After the negotiation period RACM will specify the terms of the sale, purchase price, and development details in the Land Disposition Report, Due Diligence Checklist, development agreement(s), and other necessary documents for RACM and Common Council to consider. State Statute 66.1333(9)(b) allows RACM to sell the property without public bidding, but only after a public hearing is held by RACM. The land sale will also go before the Common Council's Zoning and Neighborhood Development Committee and the full Common Council.