

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

### DATE

March 21, 2023, Common Council

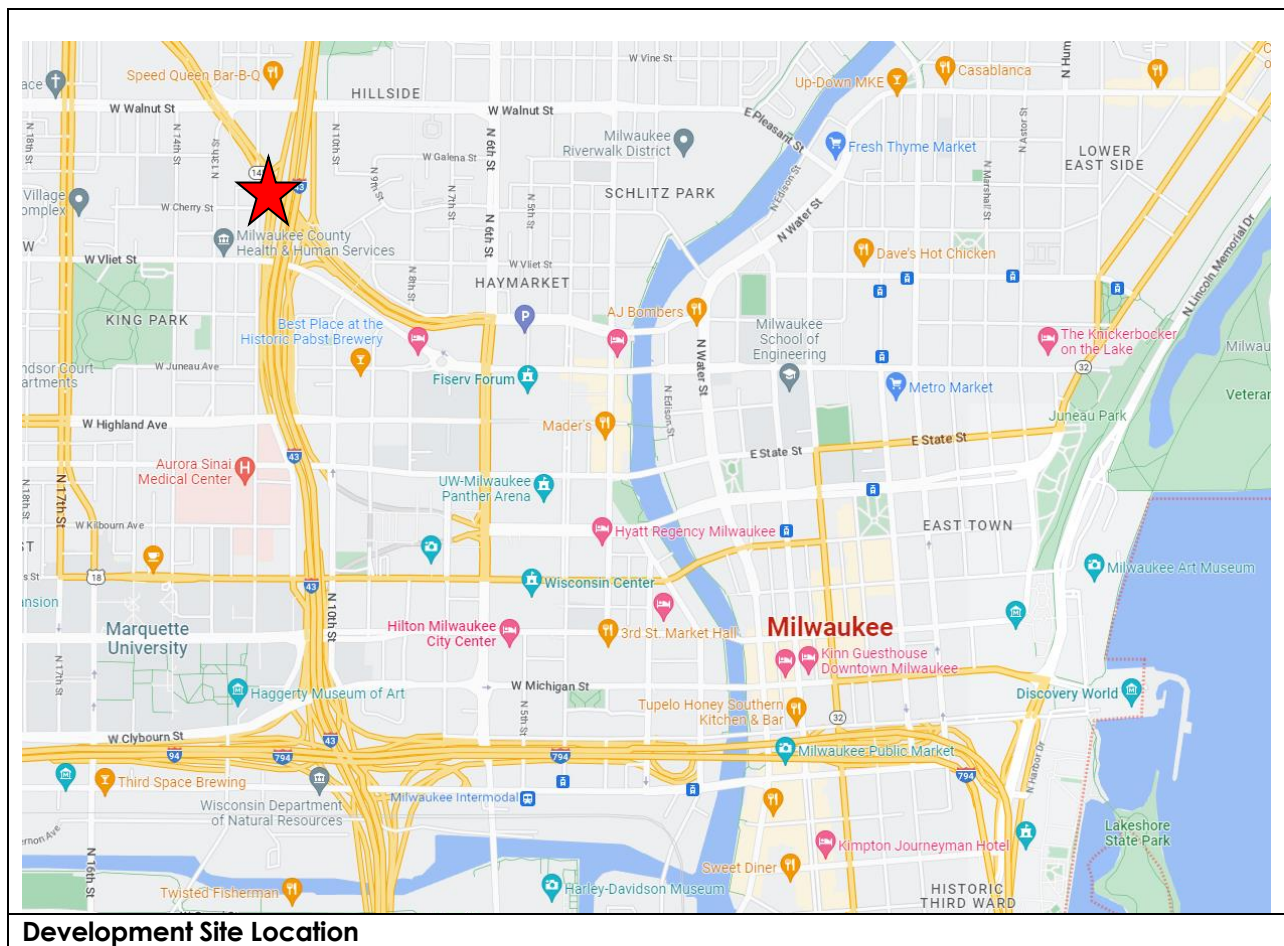
April 11, 2023, Zoning and Neighborhood Development

### RESPONSIBLE STAFF

Yves LaPierre, Program Manager, Department of City Development ("DCD")

### PROPERTY

1515 North 12th Street; Approximately 7,500 square foot lot to be assembled with Buyer's adjoining property to create a building site and developed with associated parking and landscaping.





**City Property at 1515 North 12th Street. Buyer owns all adjacent property.**

#### **BUYER AND PROJECT DESCRIPTION**

Developer is Neu-Life Community Development, Inc. ("Neu-Life"). Neu-Life proposes to build a mixed-use commercial and residential structure. New building will have ground floor commercial and community serving spaces with 36 units of housing above. Project has a budget of \$11.5 Million. The project will be funded with grants, fundraising and new market tax credits. Neu-Life is seeking an "exclusive right to negotiate" with the City of Milwaukee for the Property in order to allow time to fundraise and finalize a budget for this development.

The mission of Neu-Life Community Development, Inc. is to empower youth with skills and strategies to make their best life choices. Neu-Life is a near north side non-profit that provides youth aged 4 to 24 with educational and recreational programs during and after school and summer. We have been operating since 2000 (23 years) and have the reputation of being a high quality, youth driven program. In addition to year-round, evidence-based programs for youth, we offer variety of activities to build self-sufficiency in youth.

Programs include:

Health and Wellness Programming-Farmfork Culinary, Urban Gardening  
Arts Education-Annual Youth Art Show, Creative Arts Programming, Annual Black History Celebration  
Evidence based prevention education in Life Skills, Tobacco Prevention, Teen Pregnancy Prevention, NeuVUE STEPP Human/Sex Trafficking Prevention  
Academic Enrichment-homework help, tutoring  
Service Learning and Community Service Projects  
Workforce Development Programs-teen worker program

### **PURPOSE AND RATIONALE**

Neu-Life Community Development, Inc. continues to evolve in our scale and scope of our mission. Our mission is to empower youth with skills and strategies to make their best life choices. The next step in our commitment to serve Milwaukee's youth is the development of NeuVue, a six-story, 77,500 square foot multi-purpose center to provide a continuation of our service delivery model for youth between the ages of 18 and 24. Designed to support the continued personal and professional development of our youth, the center will include an innovative housing model that will surround our youth with mentors and comprehensive service offerings aimed at creating a path to self-sufficiency, the continued development of professional skills and future opportunity.

### **PROGRAM DESCRIPTION AND IMPACT**

The NeuVue Project has been in development for the past 5 years, with pre-development support from the Zilber Family Foundation and pro-bono support from partners such as Foley and Lardner, Forward Community Investments and Engberg Anderson Architects. We have spent the pre-development time doing our due diligence on the feasibility of this project, the project design, site control and other considerations. It is a dream come true, and while there is a lot of work ahead of us, we know that we have been following the advice given and taking our time to make the best path possible to make this project happen.



**NeuVue Project Proposal from Neu-Life**

**TERMS AND CONDITIONS OF EXCLUSIVE RIGHT TO NEGOTIATE**

The Exclusive Right to Negotiate letter shall be in effect until March 21, 2025 with an option for a one-year extension if substantial progress to finance the project is achieved. Once Neu-Life meets its fundraising goals DCD will negotiate with a Development Agreement and prepare a Land Disposition Report and a Due Diligence Checklist for 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 Properties to Neu-Life. Sales price for the City lot at 1515 North 12th Street will be \$5,600.00. Full project will be subject to a \$5,000.00 per year Payment in Lieu of Taxes (PILOT) agreement.

## DUE DILIGENCE CHECKLIST – NEUVUE PROJECT

Market value of the property.	\$5,600.00. Market Rate based on surrounding property values.
Full description of the development project.	Please see the Buyer and Project Description for details.
Complete site, operations and scope of work for development.	Please see the Buyer and Project Description for details.
Developer's project history.	<p>Development Team:  Owner: NeuVue LLC-Neu-Life Community Development, Inc.  General Contractor: General Contracting Services (same GC as the 2016 renovation capital project at NeuLife)  Legal: Foley and Lardner  Architect: Engberg Anderson Architects  New Market Tax Credit Partner: Forward Community Investments (FCI)  Capital Campaign Consultants: McDonald Shaefer  Feasibility Study and Marketing Consultants: Open Door Advisors  Pre-Development Funder and Project Consultant: Zilber LTD</p> <p>Due to NeuVue's limited development experience, NeuVue has enlisted the services of very reputable consultants to aid in many areas of the development including Engberg Anderson as project Architect and the other development team members listed above.</p>
Capital structure of the project, including sources, terms and rights for all project funding.	<p>\$3.5 million in New Market Tax Credits secured.  Fundraising for the remaining \$8 million.  Been in communication with Forward Community Investments and Chase Bank for financing options for bridge financing if needed.</p>
Project cash flows for the lease term for leased property.	Not applicable.
List and description of project risk factors.	DCD staff determined that there is very low risk in selling the property, based on Neu-Life's history in the community.
Tax consequences of the project for the City.	As part of a proposed pilot program, the property will be purchased at the city assessed value and will provide an annual \$5,000 yearly tax base to the city.