



# Waukesha may soon have 500 more apartments. They are sorely needed, city says.

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WAUKESHA – If you're looking for a new apartment, you may not have to look much further than Waukesha in the next few years.

According to the city, people are indeed looking.

In successive fashion in January and early February alone, the city set the stage for the development of two high-density-oriented plans on its south side, pending more-detailed plans that are expected to follow soon.

A third proposal, downtown near Waukesha State Bank, has already advanced through a key financing stage, though construction has not yet begun.

And a fourth development proposal, involving another group of apartments near Frame Park at the what has been called the "gateway" of the city, has reached the construction stage.

Together, they represent a total of 500 new apartments in the city, on top of the older rental housing stock that already exists.

Though that seems like a lot of apartments, city officials suggest the opposite is true, saying that the plans and proposals largely fill a need that was identified in a 2018 housing survey.

"When evaluating new housing projects we look carefully at the city's recently completed housing study to make sure they are filling gaps in our housing supply," said Jennifer Andrews, Waukesha's community development director. "The housing study showed a significant existing shortage of housing. The study identified a need for several different types of housing at varying price points. All of the residential projects fill a need identified in the study."

Here's a summary of what's in the works for the not-so-distant future.

## **River Valley apartments**

On Feb. 4, the Waukesha Common Council approved a term sheet for a prospective tax increment financing district that would incentivize a mixed-use development called River Valley, primarily focused on upscale apartments on the southeast corner of Saylesville Road and Les Paul Parkway.

Parkway LLC wants to build a complex of 170 apartments — with rents ranging from about \$800 to \$1,650 per month and in size from 550-square-foot efficiencies to 1,500-square-foot, three-bedroom apartments — beginning as soon as this fall.

In a memo to the city's elected leaders, Andrews noted the appealing elements the developer wants to build into the plan.



"Similar to other residential communities by this developer, their goal is to create a destination community in which people may live and recreate," Andrews wrote. "To that end, the community will have a strong amenity package including a clubhouse, pool, fitness center, hiking trails, playground, and other amenities designed to enhance resident experience."

While aldermen supported the proposed financial terms, on an 11-3 vote, the deal isn't done yet. Because the development would use new tax dollars generated by the improvements, the other taxing jurisdictions must approve the arrangement first.

At issue is whether the majority of the tax jurisdictions — the city, Waukesha County, the school district and Waukesha County Technical College — plus one at-large member agrees that the project is absolutely dependent on the use of \$6.8 million in diverted tax dollars to pay for certain development costs.

### **Fox Run apartments**

On Jan. 22, the city's plan commission backed a proposal for a tax incremental financing district that's key to the redevelopment of the original portion of the Fox Run Shopping Center along St. Paul Avenue and Sunset Drive.

The plan envisions dozens of 72 new upscale apartments, with rents ranging from roughly \$1,000 to \$1,500 monthly, where the 67,000-square-foot vacant strip mall now sits. It also features a two-floor, 30,000-square-foot medical or office building, near the separate existing Sentry store.

Two outlots are also identified on the development documents. Either, or both, could involve some commercial uses, or additional residential space. The existing Chase Bank site would be the only building in the original 13-acre Fox Run center to remain.

The Sentry store within the redevelopment area recently closed as a result of the anticipated redevelopment, proposed in October 2019 by VJS Development Group LLC of Pewaukee, Bedford Development of Waukesha and Somerstone LLC of Brookfield.

The potential TIF district, which has already received the backing of the city's plan commission, still needs the support of the tax jurisdictions, meeting as the Joint Review Board. A formal project proposal would follow if the board approves the financing deal.

### **Firmer ground**

Further along in the pipeline are two plans unveiled in 2019.

The Reserve, an upscale apartment plan also buoyed by tax incentive funding, will feature 186 living units plus more than 2,000 square feet commercial space in a four-phase redevelopment along St. Paul Avenue and Barstow Street near Waukesha State Bank and the Fox River.

In separate decisions, the Waukesha Common Council on Sept. 3 advanced a proposed tax incremental financing district and approved a final site plan for a project that was initially proposed in May by Campbell Capital Group LLC.

Andrews said the TIF district is already in place, and city officials are currently working to finalize a development agreement with Mike Campbell, who heads the development partnership.

In documents prepared as part of early plans in the process, Campbell expressed confidence in his investment based on Waukesha's needs.

"The luxury apartment market today consists of an affluent individual who chooses to rent versus own, and is looking for an upscale community in close proximity to work, retail and entertainment," Campbell said in the letter. "The Fox River walking path also encourages a healthy lifestyle that is important to our target audience. This site has all of those qualities."



Meanwhile, construction has begun on a 72-apartment affordable housing complex, Frame Park Commons, at the intersection of White Rock Avenue and Moreland Boulevard. Spurred in part by the fire that destroyed Fracaro's bowling lanes in January 2018, the development is one of the newer projects that doesn't rely on an upscale market.

In her presentation prior to the January 2019 public hearing, Andrews noted that when the city created a new tax increment financing district in 2018 to support the redevelopment of the White Rock neighborhood, officials considered what developers would likely favor and what the city's housing survey indicated as a local need.

Bear Development LLC envisioned apartments with affordable rents in two buildings, one on each side of White Rock Avenue along Moreland. The developer began excavating the site in January.

### **Other projects**

Waukesha also has a mix of apartments renovated from older buildings, intended for other adults or smaller in scale in recent years.

New Perspective of Waukesha, under construction on 5.7 acres at the southeast corner of East Broadway and Les Paul Parkway, will consist of 128 living units, including some for assisted care, for seniors. The complex includes related amenities for older adults.

The conversion of part of the original Waukesha County Courthouse and jail on Main and Martin streets into 30 living units, plus a banquet center, opened in 2019. The apartments are intended for upscale tenants.

Downtown Waukesha has also seen apartments — Waukesha Lofts on the west end and Clearwater Apartments several blocks to the east — fitted into Main Street locations east of Barstow Street in the past decade.