

December 5, 2011

City of Waukesha
201 Delafield Street Suite #200
Waukesha, WI 53188-3690

Attn: Jennifer Andrews

RE: MSP Development
Plan of Operation/ Project Summary
Meadow Lane Development

Dear Ms. Andrews,

MSP Real Estate and Development, Inc. is pleased to submit a development application to construct a mixed use residential development which we intend to construct in one phase and shall consist of ninety four (94) units of apartments and a thirty four (34) suite Community Based Residential Facility (CBRF) for seniors with Alzheimer's and other memory related conditions. The site which we intend to develop consists of approximately 9.50 acres and is located off Meadow Lane in Waukesha, Wisconsin.

Currently, MSP owns 772 units of senior apartments, assisted living and memory in metropolitan Milwaukee and another several hundred statewide that make up our overall portfolio of 1700 units. This includes area properties in Port Washington, Glendale, Greenfield, West Allis, Menomonee Falls and New Berlin. In addition to these existing developments we currently have 136 units under construction in metro Milwaukee and another 203 units in metro Madison.

Land Area: 9.50 Acres- See Enclosed Site Plan

Density: The development we are proposing is within the maximum density allowed in the RM-2 Multiple Family Residential District. That zoning district allows for 17.4 dwelling units per net acre for efficiency apartments; 14.5 dwelling units per net acre for one bedroom apartments, 12.4 dwelling units per net acre for two-bedroom apartments and 10.9 dwelling units per net acre for three bedroom or larger apartments.

Based on our overall unit mix:

(32) Efficiency Units	= 1.84 acres
(28) One Bedroom Units	= 1.93 acres
(48) Two Bedroom Units	= 3.87 acres
(16) Three Bedroom Units	= 1.47 acres
Minimum Land Needed = 9.11 acres	

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CITY PLAN COMMISSION

City of Waukesha Land Use Plan:

The City of Waukesha’s Land Use Plan for this site calls for a RM-2 Zoning at a density of 4-12 units per acre. The rezoning will put the site in alignment with the land use plan and allow for the development and construction of our proposed project.

For the Memory Care, the units are approximately 250 square feet and do not have a kitchen. This makes normal calculations of density difficult to apply. Based on your institutional zoning standards it would allow for 22 units per acre for this use or about 1.55 acres of the site total of 9.50.

This would leave about 7.95 acres for the apartments. At 12 units per acre we would be able to go up to 95.4 units, we are proposing 94. At 12 units per acre we would be significantly under the maximum amount allowed in the RM-2 zoning district, but on the upper end of the 4-12 range identified in the land use plan.

We believe that there is a lot of support in Chapter 5 of the City’s Comprehensive Plan to support being at the maximum of the density range, especially for this infill development of mixed income affordable housing.

Specifically:

Some of the “Housing Concerns and Weaknesses” identified by the Waukesha County Comprehensive Planning Land Use, Housing and Transportation Subcommittee include:

- 1) A need for increased density
- 2) Need for increased availability of affordable housing
- 3) A need for more energy and water efficient appliances and emphasis on green building concepts
- 4) A need for increased political support to decrease the cost of land and utilities to achieve affordable housing

As well as the following “Implementation Recommendations” found on page 46 of Chapter 5

- 1) Households should not have to pay more than 30 percent of their adjusted gross income in order to secure decent, safe and sanitary housing, including, in addition to the contract rent payment or.....
- 2) The City of Waukesha as well as other communities in the County should consider and explore the creation of incentives for the development of affordable housing units. Options to consider include density bonuses and waiver of fees.
- 3) The City should work with other municipalities and the County to study the feasibility of an affordable housing trust fund to assist in meeting the projected employment housing needs.
- 4) The City should encourage mixed income housing were feasible to avoid concentrating affordable units in a limited number of areas.



Land Use Building and Structures:

Apartments:

94 Units
4 Buildings

Buildings 1 and 2- Two Stories
8 Three Bedroom apartments approximately 1400-1440 Square Feet Each.
4 Two Bedroom apartments approximately 1180-1260 Square feet.

Building 3 and 4:- Three Stories
15 One Bedroom apartments approximately 720-780 Square Feet Each.
21 Two Bedroom apartments approximately 1050-1200 Square Feet Each.

Income Range:

1 Bedroom- \$18,000+
2 Bedroom- \$21,000+
3 Bedroom- \$24,500-\$50,340

Rental Rates:

1 Bedroom- \$663-\$850
2 Bedroom- \$795-\$1075
3 Bedroom- \$919-1,103

Housing Demand Analysis:

Currently there is one Section 42 General Occupancy Development in the City of Waukesha, Highlands South. That property is 62 units and was designed by our Architect, Knothe Bruce. The unit mix and financing structure is very similar to the apartment development we are proposing. Upon reviewing the Market Rate Housing options in Waukesha and the current market conditions it is clear that there is a strong demand for apartments. We commissioned Baker Tilly to perform a market study. Their survey of property manager's over the past couple weeks shows that of the 3,690 units included in the survey there are only 65 vacant units currently at those properties which equates to a vacancy rate of about 1.7%. As explained in Chapter 5 of the City's 2010 Comprehensive Plan on page 3:

Some vacancies are necessary for a healthy housing market. The U.S. Department of housing and Urban Development (HUD) states that an area needs a minimum overall vacancy of at least 3.0 percent to ensure adequate housing choices, which should include a minimum 1.5 percent vacancy rate for owner occupied housing units and a minimum 5 percent vacancy rate for rental units to ensure adequate housing choices.

Obviously the current vacancy rate of the City based on the sampling taken by Baker Tilly shows that there is a strong demand for apartments in the City.

Architecture: The architecture that we are going with is a prairie style. This building will architecturally complement the proposed memory care development to the east and use high quality construction materials of, cultured stone, Brick and Hardiplank siding. The project will have ample community space which includes an exercise room, business center and community room. There is a patio area behind the community room that will have a grill for residents to use while they sit outside. This area will have stamped concrete. Based on feedback from the

neighborhood meeting we held we have added a public walking path that goes around the existing retention pond and connects to the neighborhood to the west as well as a playground area to accommodate the children of residents of the development.

Parking: Each of the apartment buildings will have underground parking in excess of a 1:1 ratio. There are an additional 65 surface parking stalls to bring the total stalls to 194. This is over a 2:1 ratio and more than we believe is necessary. Our architect, Randy Bruce of Knothe and Bruce has extensive experience in general occupancy apartment design. Below is a list of developments that he has recently been associated with and their parking ratios.

Parking Ratios for Recent Apartment Developments

Name	# Parking Stalls	# Units	Parking Ratio
City Row	83	83	1.0 stalls/unit
Midtown Commons	104	88	1.18 stalls/unit
Park Central	76	76	1.0 stalls/unit
Parmenter Circle	90	50	1.8 stalls/unit
Glacier Valley	258	158	1.63 stalls/unit

Should planning staff feel that more stalls are necessary, we have shown areas on the plan which additional parking could be placed.

Sustainable Design Features:

MSP is committed to building its multi-family apartments with sustainable design features. Once constructed, we believe these apartments will be the greenest in the City of Waukesha and potentially the County. This site is an infill location that is two blocks from a bus stop on Silvernail and adjacent to lots of shopping and the interstate. GE Healthcare and Waukesha County Technical College and are filled with potential residents.

This project will be built to Green Built Home standards. Several green features will be incorporated into the construction including; Energy Star Rated Appliances, 35% Forest Stewardship Wood, Low E Windows, panelized framing and components, 3” spray foam insulation on all exterior walls. Other green elements that we are currently using in our buildings under construction include a roof mounted solar photovoltaic system and radiant in floor heat that is backed by a solar hot water system and high efficiency boilers. If feasible, we will also include these features with the Meadow Ridge Apartments.

Memory Care Community:

34 Suites
1 Building-1 Story

Thirty Two (32) Efficiencies approximately 260-300 square feet
Two (2) One Bedroom Suites approximately 455 square feet

Heritage Court Waukesha will be an approximately 20,000 square foot building that provides 24/7 care for its residents in a home like environment. Residents receive a care package that includes 3 meals daily and assistance with daily activities including bathing, medication



management, laundry and coordination of medical services. Memory boxes are placed outside of each unit to help promote residents independence.

Architecture: The architecture that we are going with is a craftsman style. The project will have ample community space and an interior courtyard for residents to access without the risk of wandering. Community space will include activity rooms, a library and beauty salon. A commercial kitchen prepares three meals per day. The exterior building materials will be cultured stone and cement board siding.

Parking: None of the residents of our facility will drive. We need parking to accommodate our maximum staff load of about 12 employees and visitors. We have placed 34 stalls on the site for this property, but with staff approval we would like to reduce that number to increase green space.

Employees:

Both properties will have (1) full time manager and they will share a maintenance employee. MSP Construction will serve as general contractor on this project. We anticipate that this project will help fuel over 150 construction related jobs and help stimulate a stagnant industry by keeping people working and getting others back to work. These construction workers will also help support the City of New Waukesha, in particular the adjacent commercial center off of Grandview.

Heritage Court Memory Care will employ approximately twenty five (25) full and part time employees over 3 shifts. Staff includes caregivers, administration, nurse and wellness director, activity and marketing directors and kitchen staff.

Construction Schedule:

Apartments and Memory Care

We intend to start construction of both the apartments and memory care at approximately the same time beginning in late summer 2012. We expect construction to take 12 months.

Company Information:

Over the past 15 years MSP Real Estate, Inc has developed over 140 million in real estate in 3 states and completed 29 developments. MSP products range from market rate apartments, to Section 42 apartment and senior apartments as well as Assisted Living and Memory Care.

Since 1995 MSP Real Estate, Inc has been one of the premiere developers of Senior Rental Housing in the Milwaukee area. We currently own Senior Housing Developments in the following communities around Milwaukee:

Independent Senior Rental Housing

<u>Project</u>	<u>City</u>	<u>Units</u>	<u>Completed</u>
Courtyard	West Allis	63	1995
Lincoln Village	Port Washington	49	2002
Silver Creek Village	Glendale	65	2000
Lexington Village	Greenfield	120	1998
Deer Creek Village	New Berlin	145	2001



Heritage West Allis	West Allis	122	2009
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Assisted Living

<u>Project</u>	<u>City</u>	<u>Units</u>	<u>Completed</u>
Lexington Heritage	Greenfield	20	2000
Heritage at Deer Creek	New Berlin	43	2004
Heritage West Allis	West Allis	40	2009

Memory Care

<u>Project</u>	<u>City</u>	<u>Units</u>	<u>Completed</u>
Heritage at Deer Creek	New Berlin	33	2004
Heritage Court (Acquisition)	Menomonee Falls	34	2004
Heritage Court West Allis	West Allis	38	2009

Total Milwaukee area MSP Real Estate, Inc. Portfolio
Total MSP Portfolio

772 Units
1,700 Units

We would like to extend an invitation to all staff and plan commission members to visit our latest project in the area. Heritage West Allis was completed in the summer of 2009. MSP worked with the City of West Allis to develop a 200 Unit Senior Housing project at 77th and National. This project spans 2.5 city blocks and was the redevelopment of the former Laidlaw bus depot. We overcame soil contamination to create one of the highest quality senior housing developments in Milwaukee County.

The finish level is second to none of any affordable housing project in the state. Each unit has stainless steel appliances, granite kitchen and bathroom countertops. The wood work includes glazed cabinets, solid oak trim and doors. We built a similar project last year in Monona that was 163 Units and some pictures of these projects are attached to this application. Both are prime examples of the quality projects that MSP builds and we would love to have you tour either of them.

Please feel free to contact me with questions or to coordinate a tour.

Sincerely,



Jacob T. Klein
Director of Development
MSP Real Estate, Inc.