

Zoning Conditional Use Application

Project Description:

Waterfair Apartments LLC proposes renovation and change of use of the 18-year-old, 198-unit Sonesta Hotel, located at the gateway southeast corner of Watertown Plank and Mayfair Road. The new use would be 146 affordable multifamily apartments with mixed-use tenant amenity space and other commercial mixed-use type uses on the 1st floor. The 1st floor will offer residents added common area features, mail and package center, fitness room, media community space with TV's and pool table, storage, coffee lounge, conference and meeting rooms with soft seating, meeting rooms for business or study. The onsite management office has professional services for resident maintenance and administrative support. The primary site will maintain sufficient surface parking for residents and guests.

The property is currently under contract with Hotel Investment Group LLC, current owner/operators of the Sonesta Hotel, with sale closing first week of December 2025. Renovation work would begin January 2026 and conclude in June 2026 with intended occupancy.

Renovations would include demising of non-load bearing walls to create larger apartment units, construction of new non-load bearing demising walls to create functional spaces, upgrading the interior with new finishes, adding new kitchens, and upgrading common area amenities to support the new housing operational needs. New common area amenities will include on-site management/maintenance office, mail and package retrieval facilities, recreational areas and upgrades including fitness center and semi-private/private work areas. In addition, the first floor and lobby areas will be reconfigured for commercial uses including medical office and food services. Quality of the renovation work would be like our last Wauwatosa project: Watertown Apartments.

The Site includes the hotel, exterior parking, and a perimeter of landscaped areas.

The existing hotel building is an eight-story post tension structure consisting of steel frame construction on a 5" concrete slab on grade foundation, over a 6-mil vapor barrier. Exterior walls consist of metal stud framing with precast concrete panels and brick veneer. The roof consists of stone-ballasted, single-ply EPDM membrane systems. Other than property signage, the exterior and structure of the building would not be altered.

Property Address: 10499 W Innovation Drive, Wauwatosa WI 53226

Parcel Identification Number/Tax Key Number: 3799999059

Proposed Project Development By: Samapa Development Company LLC

Future Owners at Project Completion: Waterfair Apartments LLC

Financing: Conventional Financing

Future Property Operators at Project Completion: Samapa Development Company LLC and Oakbrook Management Company LLC

Current Land Area: 7.55 Acres or 328,878 Sq Ft

Building Square Footage: Current: 126,098 Sq Ft
Proposed: 126,098 Sq Ft

Building Land Use: Current: Hotel with Commercial First Floor
Proposed: Multifamily with Commercial First Floor

Unit Mix / Residential Unit Affordability Data:

Unit Type	# UNITS	Unit Mix	RENT/UNIT	Monthly TOTAL	Avg Sq Ft	Avg Rent /Sq Ft	RENTABLE SF
Studio micro	19	13%	\$975	\$18,525	330	\$2.95	6,270
Studio small	30	21%	\$1,015	\$30,450	360	\$2.82	10,800
Studio medium - Studio King	10	7%	\$1,125	\$11,250	400	\$2.81	4,000
Studio large (5)	7	5%	\$1,175	\$8,225	425	\$2.76	2,975
Studio x large (3&4)	12	8%	\$1,275	\$15,300	500	\$2.55	6,000
1 Bedroom 1 Bath small	7	5%	\$1,275	\$8,925	480	\$2.66	3,360
1 Bedroom 1 Bath large	55	38%	\$1,425	\$78,375	660	\$2.16	36,300
2 Bedroom 2 Bath Large	6	4%	\$2,100	\$12,600	1400	\$1.50	8,400
TOTALS	146			183,650			78,105

Temporary Jobs Created During Project Renovation:

During the renovation period, an estimated \$23M total project will produce approximately 60 full-time jobs. Every full-time job will be at market rate wages, and a majority will include benefits. This includes site-based and supplier-based jobs that contribute materials for the work.

During construction other soft cost consultants including legal, architectural, and engineering will also have more than \$1.5M in contracts employing primarily local Milwaukee area experts.

Permanent Jobs Created After Project Completion:

Property Management on a permanent basis, a 146 unit this type of housing project will typically support:

On Staff Permanent	Avg Hours	Current Market Avg
Property Manager	1 FTE	\$70K
Leasing Agents (1-2) Part Time	1 FTE	\$50K
Plant Manager Maintenance (2)	1.5 FTE	\$55K
Total Approximately	3.5 FTE	Avg Comp \$60K per year

With 1st Floor Commercial Space, we anticipate a general range of 5 to 20 additional full-time positions with Compensation Ranging from 45,000 to \$100,000+ depending on the commercial end users.

Needed added public infrastructure for this project: None

Hours of Operation for Multifamily Units: The Multifamily units are open for resident quiet enjoyment 24 hours per day. First Floor Management Offices are typically daily 730 a.m. to 530pm. Other commercial users

on the 1st floor would typically be 7 a.m. to 8 pm and would be reviewed or granted based on each commercial applicant's normal business operating needs.

Preliminary Site Plan: See attached, our plan will be to modernize the units and interiors but leave the external building footprint and façade in near like kind condition. At a future date if added outlot acreage becomes developed, those future changes would be applied for to Wauwatosa at that time.

We plan to apply for new signs for rebranding Sonesta to Waterfair but that will be done through a sign permit application.

Interior Building Plans: See typical floor section and sample unit plans attached for review.

Project Status: Construction to commence in January 2026 and completed in June 2026

6 Approval Criteria Responses:

1. The establishment, maintenance or operation of the conditional use for Waterfair Apartments will not be detrimental to or endanger the public health, safety or general welfare. In fact, the addition of affordable housing to replace a financially challenged property will enhance and diversify the City's economic base further by replacing a less reliable tax revenue source of a devalued hotel to a much more desirable and tax revenue consistent renovated workforce housing. The Sonesta hotel site is an under-utilized property as it sits on 7.55 acres of desirable City land that is proximate to many of the major employers in the area. Redevelopment to workforce housing is the best use for both employees and employers. The MRMC and Research Park have some of the highest paying and stable jobs in the area. Housing employees of these two entities and other companies in the area will help retain local jobs and attract a diverse educated population that can enjoy all Wauwatosa has to offer.
2. The uses, values and enjoyment of surrounding properties for purposes already permitted in the district will not be substantially impaired or diminished by the establishment, maintenance or operation of Waterfair Apartments. Residents of Waterfair Apartments will certainly benefit from the new development of restaurants like Panera and future park amenities that are being contemplated, ensuring the success of those park businesses and encouraging additional commercial development.
3. Establishment of the conditional use will not impede the normal and orderly development and improvement of surrounding properties for uses permitted in the district as there will only be a change of use and no change in the overall footprint of the building. Renovating and redeveloping the Sonesta hotel and its parking lot into the Waterfair Apartments will improve the appearance of the signalized gateway corner of the Research Park and can be the impetus for additional growth and change in the Research Park as more multifamily residential projects are contemplated for the park by the City.
4. Adequate utilities, access roads, drainage and other necessary improvements have been or are being provided already to the existing property. Repurposing of the existing hotel into apartments will not change the needs of property, as there will be no overall change to the footprint of the building and will only require interior renovation and reconfiguration.
5. Adequate measures will be taken to provide ingress and egress that will minimize on- and off-site traffic congestion. Change of use of the building from 198 hotel rooms to 146 apartments should decrease the

overall traffic patterns into and out of the property as residents, unlike hotel guests, will more be permanent occupants reducing transitory traffic. It is our hope that tenants will be working within the surrounding businesses of the MRMC and Research Park and may be able to walk or bike to work. In addition, it is our hope to provide to shuttle services from Waterfair Apartments to these surrounding employers. There is also excellent access to public bus transportation near the property.

6. It is our understanding through preplanning meetings with the City that the conditional use complies with all applicable regulations of the subject zoning district. This is evidenced by the existence of another multifamily apartment complex, Crescent Apartments, within the district and planned future rezoning to allow additional multifamily within the zoning district. In addition, Samapa LLC has requested conditional use for multifamily with the MRIC which oversees the Research Park and has received positive feedback on that application as there is precedent with Crescent Apartments and future plans for additional multifamily units within the park.

Wauwatosa Community Benefits:

Waterfair Apartments fill a needed new niche of more affordability without excessive luxury, at rents 15-20% below current market rates and provides an economical housing solution for the Milwaukee Regional Medical Complex and Research Park workforce. Affordability is achieved through smaller more efficient unit types comprised mostly of studios and 1-bedroom apartments and value engineering the renovation work.

Located within one mile of the medical campus on Watertown Plank Road, this residence will offer its tenants the healthier option of convenient pedestrian and bicycle access for work or study at the MRMC. In addition, a shuttle service from the apartments is also contemplated to further reduce vehicle traffic in an already congested area of the City.

Repurposing of the current hotel to multifamily housing will remove 198 hotel rooms from a financially challenged hospitality industry in the area. Hotel occupancy tax revenue lost through this repurposing of the Sonesta hotel will be made up through higher occupancy of nearby hotels. Additional tax revenue will be generated for the city with Waterfair Apartments' new multifamily use.

Waterfair Apartments meet many of Wauwatosa's Public Purpose Objectives as outlined in City's Economic Development Investment Policy (EDIP):

1. The addition of affordable housing to replace a financially challenged property will enhance and diversify the City's economic base further by replacing a less reliable tax revenue source of a devalued hotel to a much more desirable and tax revenue consistent renovated workforce housing.
2. The Sonesta hotel site is an under-utilized property as it sits on 7.55 acres of desirable City land that is proximate to many of the major employers in the area. Redevelopment to workforce housing is the best use for both employees and employers.
3. The MRMC and Research Park have some of the highest paying and stable jobs in the area. Housing employees of these two entities and other companies in the area will help retain local jobs and attract a diverse educated population that can enjoy all Wauwatosa has to offer.
4. Waterfair Apartments can be the impetus for additional growth and change in the Research Park as additional multifamily projects and a master plan for the park are contemplated by the City. Residents of Waterfair Apartments will certainly benefit from the new development of restaurants like Panera and

future park amenities that are being contemplated, ensuring the success of those park businesses and encouraging additional commercial development.

5. The Sonesta hotel site of 7.55 acres contains a significant amount of aging overparked and underutilized asphalt for parking. This blighted “sea of concrete” could be developed into additional out lots for residential and commercial uses. Separate CSM application outlines possible future excess land, that would be evaluated at a future city application.
6. The City’s most recent Housing Studies indicate a significant need for affordable housing which is the primary mission of Samapa LLC, the developers of the nearby affordable Watertown Apartments and now Waterfair Apartments.
7. Renovating and redeveloping the Sonesta hotel and its parking lot will improve the appearance of the signalized gateway corner of the Research Park as more multifamily residential projects are contemplated for the park.
8. The master plan of the Research Park contemplates many future infrastructure improvements. Waterfair Apartments could catalyze some of those changes including redevelopment of adjacent land, buildings, and roadways.
9. Samapa LLC, the developer of Waterfair Apartments, is partly a minority owned partnership. In addition, the project’s architectural firm, Continuum Architects, is also a minority female owned business. These development partners and the target population of the Waterfair apartments, will improve equity and inclusion within the City of Wauwatosa.
10. Please see below under Proposed Sustainability Features, our goals for energy conservation. In our prior project Watertown Apartments, we have been very active in assisting in the conservation of Sanctuary Woods, both during construction and after occupancy, and plan to have a similarly active role of environmental conservation in the Research Park and surrounding green spaces.
11. Waterfair Apartments could be instrumental in the City’s comprehensive new plan for the Research Park as it would be the first new multifamily project development in an area that could soon allow other multifamily projects.
12. The impact of this development due to its location at a major signalized corner and gateway to the MRMC and freeway could be significant in Wauwatosa’s and other significant stakeholder’s overall future development strategies.

Proposed Sustainability Features:

The building renovation will incorporate energy saving features, such as energy efficient lighting through management of natural light, replacement of artificial lighting sources, and heating and cooling solutions. The apartment unit layout and design will promote use of natural light and energy efficient window solutions including window coverings and possible future window replacements. All units will be refitted with individual electrical meters to meet code requirements and require tenants to actively be engaged in energy efficiency and cost containment. In addition, clean energy sources including possible solar are being evaluated for implementation in future additional renovations. We intend to use the resources of programs such as Focus on Energy’s Energy Design Assistance and our in-house engineering capabilities to enable us to identify other energy-saving technologies. We intend to pass reductions in energy costs for the overall building along to the tenants.

Strategy for City's Procurement Inclusion Policy:

Waterfair Apartments will meet or exceed Wauwatosa's minimum DBE goals for this project. Samapa LLC prides itself on its track record of meeting and exceeding DBE participation goals on our prior Wauwatosa project: Watertown Apartments.

Participation in Targeting DBE

The Development Company (Samapa LLC) and Architectural Firm (Continuum Architects) are qualifying entities, and we anticipate participation in excess of 70+% of our soft costs, and 15+% of our hard costs with good faith efforts to seek DBE participation in the project.

We will submit a final report outlining our targeted participation compliance.

Wauwatosa and Waterfair Mission Alignment:

Samapa LLC is committed to a mission driven approach to provide affordable housing solutions for Wauwatosa. We look forward to partnering and offering a private model through Waterfair Apartments to meet the demand for moderate-priced housing.

Thank you for considering the Waterfair Apartments project. We look forward to our ongoing collaboration and future meetings. If you have any questions regarding this submission, please feel free to contact.