



Real Estate Development, Design
and Construction Consulting

September 5, 2025

Wauwatosa Community Development Authority
c/o Mark Hammond, Development Director
City of Wauwatosa
7725 West North Avenue
Wauwatosa, Wisconsin 53213

RE: **Preliminary Concept for Potential Redevelopment**
7746 Menomonee River Parkway, Wauwatosa, WI 53213

Mr. Hammond:

We are pleased to respectfully submit the attached Preliminary Concept for Potential Redevelopment of the property at 7746 Menomonee River Parkway for consideration by the Wauwatosa Community Development Authority.

While it's certainly a selling point to say that our proposed development would add \$6 million to the City's taxable base, we view it as something more: The CDA owning the property allows them to choose the *right* partners to develop the *right* concept for the property... and not simply take the first feasible deal that fills an empty site. We feel that we are those right partners and that our proposed concept is the right one for the City.

We look forward to the opportunity to present our proposal to the CDA on September 11th. If you have any questions or require any additional information in the meantime, please do not hesitate to contact me directly either by phone (414-333-3430) or email (JHook@JJH3group.com).

Thank you very much for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "J Hook".

Jeffrey J. Hook, Principal
JJH3group LLC



A handwritten signature in black ink, appearing to read "Joe Galbraith".

Joe Galbraith, Partner
Galbraith Carnahan Architects



A handwritten signature in black ink, appearing to read "Nick Carnahan".

Nick Carnahan, Partner
Galbraith Carnahan Architects



A brief note before we begin... This proposal is quite robust and we're sharing a lot of detail. When you're small, you don't have the luxury of wasting time and resources: You need to seriously evaluate an opportunity, take one best shot at it and go / don't go forward. We also hope to demonstrate that we know what we're doing, we're extremely detail-oriented and we intend to be an open, honest, cooperative partner with the City of Wauwatosa.

OUR DEVELOPMENT TEAM

JH3group LLC Jeffrey Hook	JH3group a privately-held development and consulting firm that values unique projects, creative solutions, strong returns and opportunities to create an impact. No one works harder; no one takes more pride in their work. We've developed, designed and built projects ranging in size from \$25k to \$85M. We challenge ourselves to maximize returns for all stakeholders – our investors, our clients and the communities in which we live. We happily partner with others who share that collaborative, win-win approach.
Galbraith Carnahan Architects Joe Galbraith Nick Carnahan	Galbraith Carnahan Architects (GCA) is a team of creative minds who guide clients to the most authentic manifestation of their vision. We design buildings and spaces that have a deep connection to human nature and the environment in which they are built. Function and feeling are seamlessly integrated. We immerse ourselves in our client's story, goals, and desires to make their vision a reality.

We strive to create opportunities for small individual investors to participate in something local, something creative, something impactful while still achieving solid returns and diversifying their portfolios. We seek out unique opportunities to execute the philosophies of Missing Middle Housing and Building Small – to develop projects that fill a market niche, enhance the local community and generate quality investment returns.

We've worked for the big firms and understand why middle-sized projects are "missing": They demand a higher level of expertise than most smaller developers provide, but don't typically offer fees that attract larger firms. We fill that market niche: The expertise of a large firm, the flexibility and entrepreneurial drive of a small one.

We look for opportunities where the "right" project isn't necessarily the biggest, projects that require a little extra effort by someone willing and able to do so. We maximize every dollar. We ask the extra questions, come up with the creative answers, create the unique spaces that will maximize occupancy, rent and value creation.

We make use of the market gravity generated by the larger "cookie-cutter" developments, matching their terms but appealing to the tenants who are looking for something smaller, different, more interesting – a feeling, an experience, a sense of place. We believe this differentiation not only creates better neighborhoods and communities, but also solidifies our return projections while offering growth potential and risk mitigation.

And we love what we do, strive to demonstrate that love through our projects... And partner with investors looking to do the same: To use their investments to make an impact while also generating quality returns.

STRONG LOCAL TIES – THIS IS OUR COMMUNITY

This development site holds particular interest to us because it's in the heart of community that means a great deal to us. Joe and Nick are proud East Tosa business owners. Joe is also a long-time Wauwatosa resident and serves on the Wauwatosa Design Review Board.

And while officially a Milwaukee resident, Jeff has lived in Enderis Park – just two blocks from East Tosa – for 23 years, coaching in the Tosa Kickers soccer program for 16 of those. The restaurants, parks and soccer fields of the Tosa Village have played integral roles in the story of his family.

HOW WE APPROACH A DEVELOPMENT PROPERTY

Our development philosophies are heavily influenced by two books: *“Missing Middle Housing”* by Daniel Parolek and *“Building Small”* by Jim Heid and the Urban Land Institute (see sidebar at right). These books, the latter in particular, offer examples and strategies that developers – in partnership with local governments – can employ to positively impact their communities through creative, strategic, catalytic real estate development.

It's through this lens that we see opportunity on this site: CDA ownership of the land provides the framework on which to build a public-private partnership that can approach this development in a more holistic way.

The great thing about the CDA owning this property to begin with is that you don't have to *hope* that the right development partners come along and *hope* that what they have in mind is something the City will benefit from... We believe we *are* the right development partners and that we *are* proposing the highest and best use for this site. We hope to be successful in sharing that with you and selling you on our vision.

And it's from that perspective that we have the freedom to ask a different set of development feasibility questions:

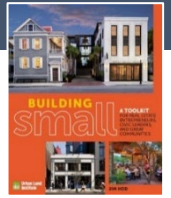
What is the “highest and best use” of the property?

- First point of contact for visitors coming over bridge into Tosa Village

What type of product is missing from the current marketplace?

- The Wauwatosa Village has seen a number of large apartment developments over the past several years, with even more coming online soon... but they're all essentially the same
- There are no rental townhomes, especially at a higher price point

EXCERPTS FROM
“BUILDING SMALL” BY
JIM HEID AND THE
URBAN LAND INSTITUTE



SMALL-SCALE DEVELOPMENT helps create more authentic places, acts as a magnet for new investment and helps attract talent-based employment – all while fostering a more resilient local economy. All these benefits help communities elevate their quality of life and sustain their economies in an increasingly competitive landscape.

Small-scale development is best identified through a series of hallmarks, or qualities, rather than through a single definition. “Small” ...

- Emanates from a **clear sense of purpose** from its sponsor, who often takes a triple-bottom-line and long-term-held view;
- Sees real estate development as a means to an end – the end being creation of great places that help with the **positive evolution of neighborhoods**;
- Builds on, and contributes to, existing neighborhood assets rather than trying to create something insular as its own amenity;
- Starts with a clear vision that generally cuts against customary underwriting of highest and best use, instead **seeking a contextual and best use** for the neighborhood and community;
- Requires an especially disciplined approach to capital and execution and a commitment to wealth creation;
- Requires more time and ‘emotional capital’ per square foot because it seeks to be **contextually responsible, community responsive and market differentiated**.

What type of tenant is not served by the current marketplace?

- Rental townhomes and apartments that cater to a quieter, lower-key clientele

What is it about a small development that's attractive to tenants?

- All corner apartment units... more light and a feeling of privacy and ownership
- Only four units per floor creates a feeling of real relationships among neighbors

How do we accentuate those advantages?**What additional differentiators would make us even more marketable in the current marketplace?****What can a partnership do that a private development cannot?**

- How do we justify a viable price point? Two-car garages, rooftop patios, larger balconies
- Create a more curated, individual floor plan to compete against bigger, commodity-priced developments
- Offer sustainable / eco-friendly features that appeal to a more discriminating demographic

Finding the right answers to these questions and successfully developing a small urban property like this one requires creativity and a holistic understanding of how every element impacts both the cost and the revenue side of the ledger. Our team brings proven expertise – individually and together as a development team – in every aspect of the development, design and construction processes.

OUR PROPOSED DESIGN CONCEPT

This property is the quintessential “Missing Middle Housing” site, and our proposed development is a quintessential Missing Middle project: A meticulously planned and curated Class-A, 14-unit mixed-use apartment complex consisting of a 4-unit townhouse/rowhouse building and an independent 3-story building with 10 apartment units.

The development fills the need for “Missing Middle Housing” in Wauwatosa, optimizing a prime urban site for residents who desire to work, live and play in the highly walkable Tosa Village. The location positions it as a point of entry to visitors coming into the Village: The exterior designs will be modern and the scale of the buildings are designed to offer an alternative the larger cookie-cutter multifamily complexes in the vicinity.

The multifamily mix consists of 1-bedroom apartments and 3-bedroom townhouses. Each unit will feature stainless steel appliances, quartz countertops, in-unit laundry and generous patios/balconies. The townhomes will feature a roof deck with views over the apartment building toward the Village and Menomonee River. The interior design philosophy is one of openness, flexibility and natural light. The designs will thus incorporate open floor plan concepts, higher than typical ceilings and extensive glass to bring the outside into the interior spaces.

The development includes on-site garage parking and indoor storage for all units.



Rendering of the proposed development from the corner of Harmonie Ave and Menomonee River Pkwy

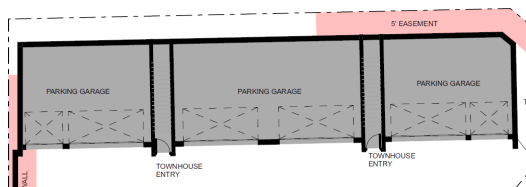


Proposed 7746 Menomonee River Parkway development site plan

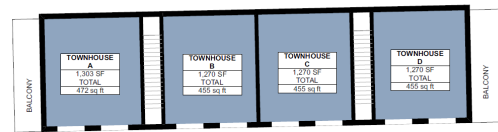
DESIGN – TOWNHOMES

The development will include four 3.5-story townhomes. The interior spaces will be clean and open with a focus on natural daylight, but the unique selling point of our townhomes will be the private roof decks where residents and their guests can step above the activity of the Village and enjoy their own little urban oasis.

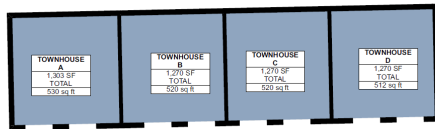
The design of the townhomes will be well-suited for a broad range of potential tenants: Young professional couples who aren't interested in buying a house, small families who need a little bit more space or empty nest couples who value living in a walkable urban setting.



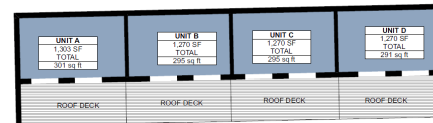
Townhome First Floor / Garage Level



Townhome Second Floor



Townhome Third Floor



Townhome Fourth Floor / Rooftop

1st Floor / Garage Level

The four townhomes are actually designed as a pair of side-by-side duplexes, each with its own shared ground-floor front entrance door. The first floor also includes a two-car garage for the tenants of each townhome above. The townhome building will also provide the garage parking spaces for two of the apartment building's units.

2nd Floor / Living Level

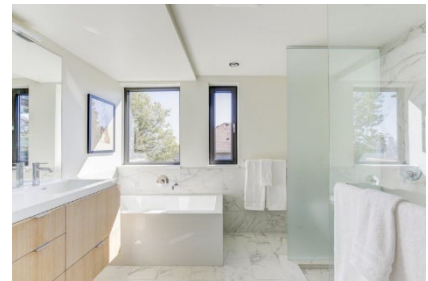
The second floor of the townhomes consist of an open-plan kitchen-dining-living space, combination mud room / laundry and a powder room. Generous windows on the front and back, along with a shallow footprint, will create an open, bright, comfortable space.

3rd Floor / Bedroom Level

The third floor of the townhomes include a master bedroom and second bedroom, each with its own full private bathroom.

4th Floor / Penthouse / Roof

The showpiece of our townhomes is the roof space and roof deck. The fourth floor of the townhomes offer a den / office / third bedroom that opens to a private deck with views over the apartment building, the Tosa Village and the Menomonee River Parkway.

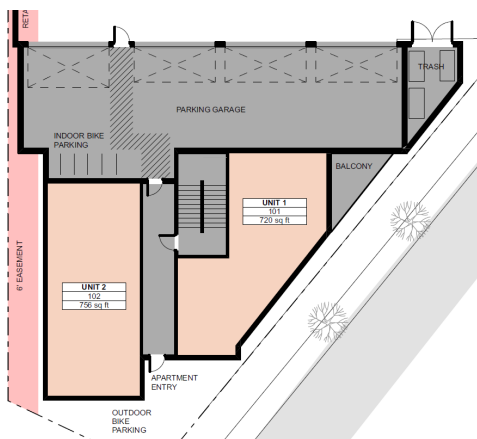


Images from other projects on which the townhome architectural and site design will be loosely based

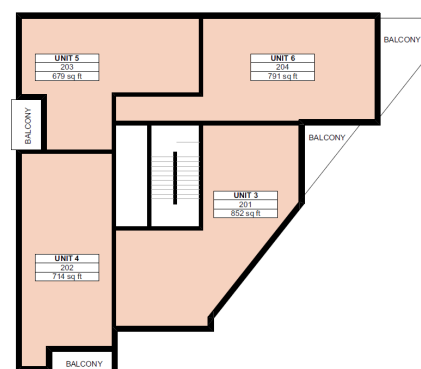
DESIGN – APARTMENTS

The apartment building in the development will offer ten 1-bedroom apartments on three floors. Our single stair building design means there are only four units per floor, and thus every unit is a corner unit and our residents will only have three neighbors on their floor. Our other exciting differentiator is that the apartment building will be designed with sustainability and environmentally-friendly features at the forefront: Energy-efficient appliances, low water usage plumbing fixtures, electric vehicle charging and environmentally-friendly materials.

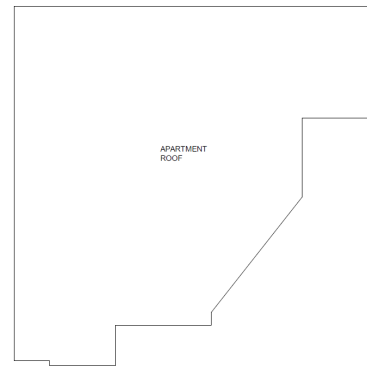
We see the target market for our apartment building to be young professionals – particularly those who work at the Medical Complex and the UWM Innovation Campus – and older individuals and couples who want a smaller, quieter home base where they feel comfortable and actually get to know their neighbors.



Apartment First Floor / Garage Level



Apartment Second Floor

*Apartment Third Floor**Apartment Roof***1st Floor / Garage Level**

The apartment building garage will provide parking spaces for eight of the apartment unit tenants (the other two will be in the townhome garage), indoor bicycle parking and tenant storage lockers. The first floor will also have two 1-bedroom apartment units with private ground-level outdoor patios and the main guest entrance for the building.

2nd Floor

The second floor will consist of four more 1-bedroom apartment units with generous private outdoor balconies. All units are corner units with generous windows and open floor plans. The beauty of this small apartment building is the feeling of community you get from only having three neighbors on your floor.

3rd Floor

The third floor will consist of four more 1-bedroom apartment units with generous private outdoor balconies. All units are corner units with generous windows and open floor plans. The beauty of this small apartment building is the feeling of community you get from only having three neighbors on your floor.

Roof / Exterior / Balconies

Private tenant balconies will be larger than typical apartment balconies in the Tosa Village. First floor tenants will have semi-private patios. We plan to pursue partnerships to install solar panels on the roof of the apartment building.

DESIGN – SITE / EXTERIOR / PUBLIC CONNECTIONS

The property is certainly a unique shape in a unique location, and economic feasibility mandates a dense urban design. We have taken these parameters and curated them into a community of people who value the benefits of an urban lifestyle.

Landscaping / Accents

The development is designed to both cultivate a strong sense of internal community among its small number of residents and integrate seamlessly into the fabric of the surrounding Tosa Village. Accent building features, furniture and landscaping planters serve to define the space and soften the streetscape.

Entry Drive / Courtyard

We have designed the property to continue using the existing street curb cut. All vehicle parking and circulation can be adequately provided within the property. The center courtyard between the buildings will be designed as a narrow street corridor – similar to something you might find in Amsterdam or some of the older areas of New York City – with permeable brick paving, accent landscaping planters, wood garage doors, welcoming townhome entries and decorative string lighting.

**Electric and Gas Utilities**

Electric and gas services, equipment and meters will more-or-less mirror the facilities on the south end of the neighboring Harmonie Square development.

Focal Point / Entrance

Three 2-yard dumpsters will be housed in an enclosed trash room near the entrance to the site, leaving sufficient room – and height – for trucks so safely enter, service and exit the site onto Harwood Avenue.



Photos of other projects on which the courtyard and building design is loosely based



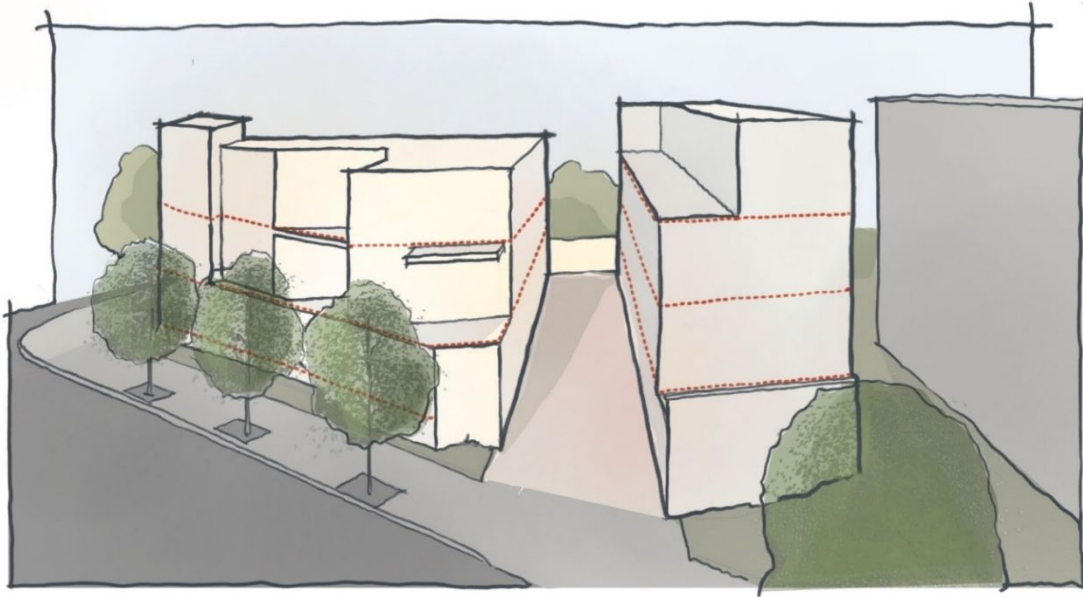
Rendering of the proposed development driveway courtyard from Harmonee Avenue

OTHER DEVELOPMENT DETAILS

Building Height	The height of the apartment building varies across the site, but is approximately 34 feet on average – well within the zoning regulations for the property.		
	The townhome building is slightly taller and also varies – with the garage entrances cascading with the driveway grade toward Harwood Avenue and the north/west sides slightly buried – but the building will comply with the C1 zoning limit of 40 feet.		
Tenant Parking	All tenant parking will be in enclosed garages. Each townhome will be assigned two spaces; each apartment will be assigned one space.		
	There is a contingency plan for additional tenant parking capacity via extended tandem garage spaces – for apartments with two tenants – but we need to work through a cost-benefit analysis on that detail.		
Guest Parking	Adequate guest parking is available in the public parking garage in the adjacent Harmonee Square development and the surrounding streets.		
Bicycle Parking	Both the townhome garage and the apartment building garage will have interior bicycle racks for all-season tenant bike storage. We will offer exterior bike racks as well.		
Environmental / Sustainable Features	Energy efficient appliances	LED lighting / Daylighting	Increased bldg insulation
	Low water usage fixtures	High efficiency HVAC	Low VOC materials
	Smart home systems	Electric vehicle charging	Rooftop solar panels (?)

ZONING ANALYSIS

We understand that the property is currently zoned “C1 – Neighborhood/Village Trade”. As outlined in the table below, the proposed development concept complies with the current zoning regulations for the property.



Massing diagram of the proposed apartment and townhome buildings from Harmonie Avenue

LOT AND BUILDING STANDARDS	C1	Proposed	Comment
Minimum Lot Area (sq ft)	None	✓	Complies
Minimum Lot Width (feet)	None	✓	Complies
Minimum Setbacks (feet)			
Front	0 feet	✓	Complies
Street Side	0 feet	✓	Complies
Interior Side	0 feet	✓	Complies
Rear	0 feet	✓	Complies
Maximum Height (feet)			
Principal Buildings	40 feet	Townhomes +/- 39 ft Apartments +/- 34 ft	Complies Complies
Maximum Building Coverage (% of Lot Area)			
Corner Lots	No max	✓	Complies

PROPOSED DEVELOPMENT SCHEDULE

Based on our experience with similar development partnerships, we anticipate the following schedule:

Q4 2025 / Q1 2026 Due Diligence	Negotiate general Development Agreement deal terms Sign formal Letter of Intent to Purchase property Initiate preliminary TIF and other development approval processes
Q1 / Q2 2026 Design Development	Preliminary building design and budgeting Design and use approvals and other due diligence processes Initiate bank financing and investment equity pursuits
Q2 / Q3 2026 Pre-Construction	Construction documents, permitting, bidding and contracting Advance financing and investment equity processes TIF Joint Review Board, Finalize Development and Purchase Agreements
Q3 / Q4 2026 Closing / Groundbreaking	Finalize investor funding and close on financing, land purchase Execute construction contracts and begin on-site work
Q4 2026 – Q4 2027 Construction	Construction Marketing and tenant pre-leasing
Q1 / Q2 2028 Occupancy	Initial occupancy Lease-up and stabilization

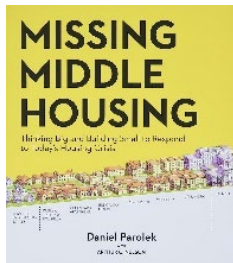
TIF DEVELOPMENT AGREEMENT – A TRUE PUBLIC PRIVATE PARTNERSHIP

City ownership provides the opportunity to do something meaningful, something different, something that can be used to model and advance initiatives for future developments.

Excerpts from Missing Middle Housing by Daniel Parolek:

- “Understanding the role and characteristics of Missing Middle Housing types, the barriers to building them that need to be overcome... will enable you to be part of the solution to the growing housing crisis whether you are a planner, architect, politician, developer/builder, city leader or community member.”

- “Though urban infill and redevelopment is becoming increasingly common, it is also more costly and requires large scales of development to be financial feasible; this favors large attached units over Missing Middle Housing.”
- “Small projects have a hard time paying their way in a cost and regulatory environment that requires such a high level of developer sophistication, capital and risk... A solution takes some creative thinking, outside of a conventional pro forma approach and project approach, but it is possible.”

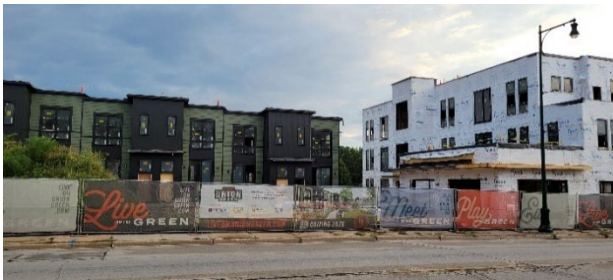


PRO FORMA HIGHLIGHTS

The following pages outline a public-private development partnership structure similar to the one that we are currently executing with the City of West Allis. We believe it's a reproduceable win-win deal structure that creates a platform for mutual success while also protecting the City's short- and long-term financial interests.

- All based on the project we're currently doing in West Allis, not simply theoretical
- Development costs, hard costs, financing terms are all real and current
- Financing is executable, including the TIF elements
- Targeting IRR of 12% to 15%... needs to be interesting to investors or equity won't be there
- Assuming a 6 to 8 year sale date, with City able to share in excess profits

A preliminary, conceptual development pro forma financial analysis is being submitted simultaneously under separate confidential cover. Those terms are for confidential discussion purposes only, but would eventually form the framework for the Development Agreement that would be executed between the Developers and the City of Wauwatosa.



Progress photos of Union Green West Allis

UNION GREEN

UNION GREEN WEST ALLIS: A PROVEN MODEL FOR WIN-WIN PUBLIC-PRIVATE PARTNERSHIPS:

Just like this property, half of the property for Union Green was owned by the West Allis Community Development Authority and half by the City of West Allis.

- The CDA had acquired the properties a couple years earlier and were looking to find the right partner to develop something “better”.
- We proposed our concept, our partnership structure... and they chose to work with us without issuing an RFP.

Consolidated the properties via CSM, re-zoned for PUD, purchased land for \$1

Created new TIF District and agreed to reimburse our taxes for full 27-year term

- Costs to set up TIF included in first years of taxes and annual costs deducted from reimbursement... **NO COSTS TO THE CITY.**

Developer Agreement creates framework for shared budget savings at stabilization and profit sharing at future sale.

We take maintenance costs and obligations for the park and parking lot off DPW's plate.

Developer-funded TIF (NOT City-funded, City-bonded TIF)

- No bonding by the City; moves the financial risk from the City to the Developer.
- More efficient use of funds (fewer fees and other waste).

IN SUMMARY: WHY THIS DEVELOPMENT TEAM? WHY THIS DEVELOPMENT CONCEPT?

Real, viable, executable plan and financial model

- We've already proven that this model is attractive to the lending and investment community
- We've included a nominal land purchase price
- It's not an unfinanceable condo deal with unachievable numbers
- We're zoning-compliant and already have answers for parking, trash, utilities, etc

Different from other apartment buildings in the Village

- All units are corner units in a smaller-scale building
- Sustainable / eco-friendly features will appeal to an underserved niche
- Townhouses have rooftop patios and are rental townhomes

We're local

- We know this neighborhood, we know this market... we are the people of this community
- We care about the City, we care about what happens here, we care about its future

