

From the Milwaukee Business Journal:

<http://www.bizjournals.com/milwaukee/news/2017/02/10/90-million-high-rise-with-hotel-housing-planned.html>

\$90 million high-rise with hotel, housing planned at entrance to 3rd Ward by Grand Avenue owners

Feb 10, 2017, 7:02am CST Updated: Feb 10, 2017, 12:07pm CST

A 22-story high-rise with a hotel, housing and sidewalk-level storefronts valued at up to \$90 million could be built on North Water Street at the entrance to Milwaukee's 3rd Ward, the Milwaukee Business Journal has learned.

It is intended to be a landmark building, and would replace a surface parking lot fronting on the Milwaukee River at Water Street and East St. Paul Avenue, near the Milwaukee Public Market, 400 N. Water St. The development is led by The Aggero Group, one of the owners of the Shops of Grand Avenue, said principal Tony Janowiec.

"We are working toward a higher-density development that will be a signature project," Janowiec told the Milwaukee Business Journal.

Aggero has teamed with Milwaukee-based Jackson Street Holdings LLC to lead what could be a 125- to 145-room hotel in the building. Janowiec said he is fielding proposals for local and national housing developers that could build anywhere from 165 to 265 apartments or condos on the upper levels of the high-rise.

"We pursued this with the approach that we think it is a tremendous development site," Janowiec said. "We would love to see progress in the near future and that's certainly our intention."

An affiliate of Aggero Group bought the less than one-acre Water Street property on Wednesday for \$5.6 million. The site is unique, Janowiec said, because it is zoned to allow high-density development if it meets city standards for a "signature building." Aggero Group has been interested in the land long before it acquired the Grand Avenue for redevelopment in late 2015.

"It's been owned by the same family for decades, and we've been pursuing it for the better part of five years," Janowiec said. "It's a gateway to the 3rd Ward. It's a tremendous development site. In the 3rd Ward, you either have historic buildings or you have developments, and this is just an A-plus-plus development."

Some details of the project are in flux because Aggero Group has not selected a partner to develop the housing in the building. Budget estimates range from \$75 million to \$90 million, and the 22-story estimated height depends on the apartment unit count, Janowiec said. The building would have about 225 interior parking spaces, but that also could increase depending on the housing.



FILE PHOTO

The new development would stand about twice as tall as the historic Renaissance building immediately to the south of the project site.

“We can provide a platform of high-rise housing that has 360-degree views of the river, downtown and lakefront,” Janowiec said.

Aggero Group has reviewed proposals from housing developers for the project, which had the potential unit counts ranging from 165 to 265, Janowiec said. Some include condos an addition to high-end apartments, he said.

“We’re looking at both right now,” he said, “Surprisingly, there has been interest in the condo market.”

The hotel portion of the project led by Jackson Street Partners is more firm. The Milwaukee developer has secured a nationally branded hotel operator for the building, Janowiec said, He declined to name the operator, but said the hotel flag would be new to the Milwaukee market.

“They’ve secured a very high-end select service flag that will be a really good fit for the 3rd Ward,” Janowiec said. “We actually reached out to them (Jackson Street) and they were the only hotel group we reached out to.”

Jackson Street Holdings is building the downtown Milwaukee Westin, and is one of two firms competing to develop the city-owned parking lot at North Fourth Street and West Wisconsin Avenue, near the Grand Avenue

The first floor of the planned high-rise will have retail space facing Water Street. Aggero Group would remain the owner and lead developer of that segment of the building, Janowiec said. The retail could be one larger user, or several in-line storefronts, he said. The back of the building would connect with the river walk, with programming either for the hotel or retailers.

Janowiec said the design is intended to be a “grand gateway” into the 3rd Ward, saying “that is not an iconic statement, that is an accessibility statement.” It would complement amenities such as the downtown streetcar, which will run on St. Paul Avenue past the building.

There is a lot of work yet to be done. Aggero Group still must secure a housing partner, and an architect. Right now Arrival Partners LLC, a Milwaukee firm that has partnered several times with Jackson Street Holdings, is helping with the site planning, Janowiec said.

Janowiec said he intends to firm up the project team and apply for city approvals for a building sometime in 2017.

Sean Ryan
Reporter
Milwaukee Business Journal



