



Bear Real Estate looks at expanding housing project near Marquette University

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With tax credits in hand to build 140 workforce apartments on Marquette University's large redevelopment site on the west side of downtown Milwaukee, developer S.R. Mills is looking to firm up designs and is considering market-rate housing there as well.

The CEO of project developer Bear Real Estate in Kenosha received confirmation Tuesday of \$1.75 million in state and federal housing tax credits for the new apartments. They would be built at West Michigan and North James Lovell streets, where Marquette University has assembled about 12 acres for future mixed-use redevelopment.

The 140 affordable apartments would be the start. Mills said he also is exploring the possibility of additional market-rate apartments on the property.

"We want to make sure it fits nicely with what the balance of uses will be around that," Mills said. "We have had discussions about extending the amount of residential in and around the site and finding that mix between workforce and market-rate."

The workforce apartments would have rent limits set by the affordable housing tax credits. Mills said the 140 units would have income limits for residents between 30% and 80% of the area's average. The average income for those apartments would be about 60% of the area's median income level.

The scale of the buildings is being worked out, Mills said. The price of lumber continues to rise, which will factor into design planning. Shorter buildings around five or six stories tall would likely have lumber structures for their apartment floors, but taller buildings with a slimmer footprint would instead have steel or concrete.

"As lumber prices have skyrocketed, we're trying to be as efficient as we can," Mills said.

Details of the project design will be worked out over the next month or two, he said.

Taller buildings would also increase the overall development density of Marquette's land. As downtown Milwaukee Ald. Bob Bauman noted, Marquette's site becomes much more valuable thanks to Milwaukee Tool's plans to put at least 1,210 employees in a vacant office building a block to the east. The city incentive for that project awaits a May 4 vote by the Common Council.



“There is potential for the value of the entire parcel will increase significantly as a result of the Milwaukee Tool deal, assuming that goes forward, and at this point I assume it will,” Bauman said Thursday.

Marquette University responded to questions with a written response saying, "We often have conversations with outside entities that are interested in seeking synergistic, mission-aligned opportunities to develop the property."

The Michigan Street development is among two large projects Bear Real Estate has pending in the downtown area. The developer also intends to acquire 10 acres of former industrial buildings in Milwaukee’s Harbor District. That redevelopment at South First and East Becher streets would have about 300 apartments.

That development was not awarded state tax credits this year, but Mills said it could still move forward. He said Bear would seek federal affordable housing support for the project through a program that awards tax credits amounting to about 4% of a project’s costs.

The value of those credits had been lagging, but a federal law approved in December created a new minimum value for the amount of money they could raise toward project costs. That change means the Harbor District project could advance with federal credits alone, Mills said. It also would rely on state and federal historic restoration tax credits.