MEMORANDUM

TO: Whitewater Community Development Authority and Whitewater Common Council

FROM: Mason Becker, Executive Director, Whitewater Community Development Authority

DATE: August 18, 2026

RE: Jefferson Street Redevelopment - RFP Process Recap and Eminent Development Corporation Submittal and Market Context

Background

The Jefferson Street site consists of three parcels (BIRW 00001, BIRW 00002, and BIRW 00003A) totaling approximately 1.4 acres at the northwest intersection of Main Street and Jefferson Street, bounded by Whitewater Creek to the west and East North Street to the north. The site sits within TID #12 and within a Qualified Opportunity Zone.

Prior to issuing the RFP, the Whitewater Community Development Authority (CDA) commissioned a third-party site analysis from Redevelopment Resources. That analysis reviewed downtown foot traffic trends, unmet retail and grocery demand, surplus supply in categories such as restaurants, and residential absorption potential in the Whitewater market area. The study concluded that the highest and best use for the site is a mixed-use, multi-story building with first-floor commercial space and residential units above and recommended up to three stories of residential density over ground-floor commercial to support both downtown activity and identified rental housing demand.

The importance of this project is multi-faceted. It represents a catalytic redevelopment opportunity, one that will capture significant investment from outside the City. It would represent the first completely new, non-public building constructed in the downtown since at least the 1970's. Additionally, it matches with a stated goal of the City and Common Council in continuing to prioritize and reactivate the downtown, as seen with the recently approved Downtown Activation Initiative. Further, the addition of market rate rentals into the downtown warrants an exploration into the existing rental market in the Whitewater community, which is covered later in this document.

Historically, we have discussed the housing property split in this community as being approximately 70% rentals and 30% owner-occupied. Housing studies have backed up these general figures. We think it is important to dive deeper into these numbers and discuss four distinct types of housing that exist in the community: owner-occupied, student rentals, senior/subsidized rentals, and non-student rentals. After additional research, staff has determined that around 32% of our housing stock is owner-occupied, nearly 47% is targeted or likely student rentals, 12.5% is seniors/assisted living/subsidized, and the remaining less than 9% is available as standard market rentals. Please note that the above reflect base classifications, and sensitivity range data is shown later in this memo. As the Jefferson Street project is not targeted toward undergrad college students, it is important to have awareness of this data.

Land Acquisition Summary

The CDA/City assembled the site over time through separate acquisitions of the three parcels. The table below summarizes acquisition and related costs:

Property	Purchase Price	Additional Costs
116 E. Main St.	Land swap with Tanis (Pack & Ship building owner) for land in the Technology Park (City-owned)	Demolition cost: $46,525.00
126 N. Jefferson St. (Dalee property)	$30,000 (closing statement: $30,034.00)	Demolition cost: $18,480.00
104 E. Main St. (Dalee property)	$120,000 (closing statement: $120,034.00)	Vacant land - no demolition cost

Combined closing and demolition costs for these three parcels total approximately $215,073. In addition, Northstar Testing performed environmental testing on each of the three buildings in 2024 at a cost of approximately $2,600 per building; additional testing related to 116 E. Main St. is reflected in that parcel's demolition cost above. This brings total expenses for acquisition, testing, and remediation to approximately $222,873. Note that the land conveyed to the Pack & Ship building owner (Faith Tanis Properties) as part of the land swap for 116 E. Main St. was City-owned property, not CDA-owned property.

RFP Process Recap

The CDA issued the Jefferson Street Redevelopment RFP on April 1, 2026, with responses due April 30, 2026. The RFP sought a mixed-use development consistent with the Redevelopment Resources site analysis and B-2 Central Business District zoning, and asked respondents to demonstrate development experience, financial capacity, and a conceptual development scope, among other requirements.

The RFP was structured to allow flexibility in the type of project proposed, including the option for an owner-occupied development (e.g. condos). Four submittals were received by the deadline; none of the four proposed an owner-occupied project. Additionally, no submittals were received from local developers or local companies.

Following review and scoring of all submittals, as well as in-person interviews with the two finalist firms, Eminent Development Corporation was identified as the preferred respondent. A summary of their proposal is included later in this memo.

Key Considerations for the Site

As the CDA and Common Council review the recommended project, staff offer the following considerations regarding the site and the type of development proposed:

- **More downtown residents:** Adding residents to the downtown through upper-story housing helps support existing and future downtown businesses by increasing the customer base within walking distance. “We need more customers walking by,” is a frequent comment heard from downtown business owners.
- **Density and tax increment:** A lower-density project on this site would not be expected to generate sufficient future tax increment to support the financing tools required or generate a suitable Return on Investment for the CDA and the City.
    - Previously, the three parcels making up the property, before acquisition by the CDA, were assessed at values of:

- /BIRW 00001: $202,000 (2025), total taxes $3,273.99
- /BIRW 00003A: $38,200 (2023), total taxes $557.87
- /BIRW 00002: $50,800 (2023), total taxes $834.36
- Total Previous Assessed Value: **$291,000**
- Total Previous Annual Taxes: **$4,666.22**

- Projected value after redevelopment (preliminary): **$13.5 million**
- Projected annual taxes after redevelopment (2025 mill rate): **$223,480**

- **Public park / public amenity:** Given the number of existing parks and trail connections already near this site (including Cravath Lake, Mill Race Park, Brewery Hill Park, the Whitewater Rotary Skate Park, and the Ray Trost Nature Preserve), converting this parcel to a public park or other public amenity is not recommended, as it would duplicate nearby recreational assets rather than add tax base or downtown activity.

Staff do plan to move forward with plans to improve the public space on the other side of Whitewater Creek into a fishing-friendly small public park space, as that parcel is too small (00.17 acres) to feasibly bring any sort of meaningful redevelopment project forward on.

Broader Market Context

Rental housing construction is ongoing elsewhere in the community, including projects by Slater/Hartland Shores (Moraine View & Jake's Way), Teronomy (Water's Edge South), and RR Walton (Janesville St). These projects indicate continued market demand for rental housing in Whitewater; however, none of them are located in the downtown area, which reinforces the opportunity for the Jefferson Street site to help meet rental demand while also supporting downtown activity.

Past housing studies covering the community and region point to the same conclusion: new housing construction, both owner-occupied and rental, has not kept pace with demand. The 2025 Jefferson County Housing Study found very little new apartment construction countywide since 2000, with recently built communities running near full occupancy, and found new single-family construction priced well above what typical area incomes support.

The City's 2022 Housing Report reached similar findings locally, noting that new single-family construction has averaged only about seven homes per year over the prior decade, that owner-occupied vacancy is near 1 percent, and that home values are disconnected from local incomes.

The 2023 Housing for a Healthy Walworth County booklet reflects the same pattern regionally, identifying Whitewater as short on housing for both homeowners and renters and projecting continued unmet demand through 2030. Taken together, these studies confirm the community and surrounding region remain behind on both ownership and rental housing production, reinforcing the case for adding new units through infill sites such as Jefferson Street.

Staff recently conducted a review of known and identified rental properties within the City of Whitewater, utilizing property records publicly available through GIS. Additionally, staff used publicly available website data to determine which properties are actively marketed toward students. Additionally, staff were able to identify rental properties likely marketed towards student renters, given their proximity to the UW-Whitewater campus. This was based using a half-mile radius surrounding the UW-Whitewater campus, which staff believe is a reasonable assumption in a community of Whitewater's size. However, a sensitivity analysis is also presented later in this memo.

Taken together, these figures indicate that over 68% of rental units in the City are positively or likely targeted towards students under the base classification shown. This, taken along with the information from past studies, demonstrates that there is still ample opportunity to add market rental housing targeted towards post-graduate individuals, couples, young professionals, young families, seniors wishing to downsize, etc.

City of Whitewater — Owner-Occupied & Rental Property Market Composition

Category	Units	% of All Housing Units	% of Rental Units
Owner-Occupied	1,616	32.03%	—
Rental — Targeted to Students (documented)	1,513	29.99%	44.12%
Rental — Likely Student (within half mile of UW-Whitewater campus)	847	16.79%	24.70%
Rental — Market Rent (Standard)	437	8.66%	12.74%
Rental — Other (55+, Subsidized, AFH, etc.)	632	12.53%	18.43%
Total Rental Units	**3,429**	**67.97%**	**100.00%**
Total Housing Units	**5,045**	**100.00%**	**—**

Combined Student-Oriented Rentals (Targeted + Likely): 2,360 units, 68.82% of all identified rentals, or 46.78% of all housing units in the City.

The above data was collected using a combination of GIS information and publicly available property records, and approved building plans. Additionally, staff researched public websites, including UW-Whitewater's student rental housing website, popular rental websites such as apartments.com, and websites of rental housing providers within the City. Staff have retained a full spreadsheet collecting this data which is sorted by property address, which will be updated going forward on a monthly basis.

Rental Classification Sensitivity Analysis

The classification above rests on one methodological assumption that warrants explicit disclosure. Units in the Targeted to Students category are affirmatively documented as student-oriented through marketing sources, including UW-Whitewater's off-campus housing listings, apartments.com, and the websites of local rental providers. Units in the Likely Student category are not affirmatively documented; they are classified by proximity alone, specifically location within a half-mile radius of the UW-Whitewater campus. That radius is a defensible screen in a city of this geographic scale, but it is a screen rather than a finding, and some share of those units is occupied by non-student households.

Because that single category carries 847 units, or roughly one-quarter of all identified rentals, staff have modeled the range rather than presenting a single point estimate. Scenario A reflects the classification as reported above, treating all 847 proximity-classified units as student-oriented. Scenario C is the most conservative alternative available, reclassifying all 847 units as standard market rentals. Scenario B assumes half of them, 424 units, are non-student. The table below shows rental composition under each scenario.

Rental Category	Scenario A: As Reported	Scenario B: Half Reclassified	Scenario C: All Reclassified
Targeted to Students (documented)	1,513 (44.12%)	1,513 (44.12%)	1,513 (44.12%)
Likely Student (proximity screen)	847 (24.70%)	423 (12.34%)	0 (0.00%)
Market Rent, Standard	437 (12.74%)	861 (25.11%)	1,284 (37.45%)
Other (55+, Subsidized, AFH)	632 (18.43%)	632 (18.43%)	632 (18.43%)
Total Identified Rental Units	**3,429 (100.00%)**	**3,429 (100.00%)**	**3,429 (100.00%)**
Student-Oriented Share of All Rentals	**68.82%**	**56.46%**	**44.12%**
Market Rent Share of All Housing Units	**8.66%**	**17.07%**	**25.45%**

Percentages in parentheses represent share of all identified rental units. Scenario C represents the outer bound of the assumption and is not staff's working estimate; it is presented to establish that the conclusion does not depend on where within this range the true figure falls.

Three findings hold across the full range. First, the floor on student-oriented rental housing is documented rather than assumed. Under every scenario, at least 1,513 units, or 44.12% of all identified rentals, are affirmatively marketed to students. Second, even under Scenario C, which assigns every proximity-classified unit to the market-rate category, standard market rentals reach only 1,284 units, or 25.45% of all housing units in the City, in a community where the 2022 Housing Report documents owner-occupied vacancy near 1% and single-family production averaging roughly seven homes per year. Third, the proposed project is modest relative to that segment under any assumption. The approximately 45 units proposed represent roughly 10.3% of the Scenario A market-rate stock and roughly 3.5% of the Scenario C stock.

Scenario C narrows the estimated gap in non-student rental supply; it does not close it. The independent evidence from the 2025 Jefferson County Housing Study, which found near-full occupancy in recently constructed rental communities, and the 2023 Housing for a Healthy Walworth County analysis, which projects unmet demand through 2030, is unaffected by how the proximity-classified units are assigned.

One point of methodological consistency merits note. The Jefferson Street site is located approximately 1.25 miles from the UW-Whitewater campus, well outside the half-mile screen applied to the existing stock. Under staff's own classification methodology, the units proposed at this location would be counted as non-student market rentals, which is the category the analysis identifies as underserved.

Student-oriented rental housing fills a necessity in the City, given the presence of UW-Whitewater, and market numbers indicate the private sector will continue fulfilling this need for the foreseeable future. This is also backed up by past housing studies. Where the opportunity for housing growth in the community lies is in both owner-occupied homes and non-student marketed rental units. This is reinforced by the numbers shown here and holds across the full sensitivity range shown above.

Commercial Properties

Concerning the proposed addition of commercial space in the Jefferson Street project: The developer will be vetting out if the inclusion of 13,000 square feet of additional commercial space is warranted to the market, or if a smaller space may be more appropriate. That said, there is available commercial space currently within the downtown, with current vacancy rate just over 15%. This number is not alarming but is higher than the 5-10% vacancy rate typically stated as being desirable by organizations such as Wisconsin Main Street. However, as the list below shows, some of these properties are not realistically available to rent right now, are in various states of disrepair, or are being actively considered for other uses and projects. The addition of new, quality commercial space within a downtown can often help attract further redevelopment efforts and also spur existing property owners to reinvest in their own buildings. Further, once filled, the new property can act as a catalyst for attracting more commercial tenants to the downtown area.

As a reminder, the CDA does offer a CDA Loan Fund and a Façade Loan Program to help assist existing property owners with improvement and redevelopment of their properties.

Current vacancies in the downtown area as of August 7, 2026:

Address	Jun_2026_Status	PARCEL_ID	owner_name	owner_name_2
113 E Main Street, Suite C	Vacant	/TRA 00036	FABIAN LOPEZ D/B/A FIVE STAR LOPEZ AUTO REPAIR LLC	Building is partially filled w/ La Michoacana etc
137 W Center	Vacant	/OT 00133	RODRIGUEZ PROPERTIES II LLC	Former Gus' location
139 W Center	Vacant	/OT 00131	RODRIGUEZ PROPERTIES II LLC	Former Gus' location
141 W Main St	Vacant	/OT 00085	GKC RENTALS-WHITEWATER LLC	Former Fink Ink Tattoos, new Latino grocer coming
147 W Main Street	Vacant	/OT 00079	LAKE COUNTRY PARTNERSHIP LLC	Former New Beginnings. Same owner as Bower's House.
147 W Whitewater	Vacant	/TR 00009	WISCONSIN DAIRY SUPPLY COMPANY INC	Former Me & My Pets
153 W Main	Vacant	/OT 00083	JLY 3 LLC	Former Dale's Bootery
161 W Main Street	Vacant	/OT 00084	BULLDOG INVESTMENTS LLC	Former Tokyo, new restaurant likely incoming
166 W Center	Vacant	/OT 00083	JLY 3 LLC	Back of Lulu's Cravings building, part of same bldg as Dale's Bootery
183-187 W Main	Vacant	/OT 00070	BOWERS HOUSE LLC	Bower's House (listed for sale). Former White Elephant, property under contract for redevelopment, staff discussing w/ WEDC
206-210 W. Whitewater St	Vacant	/OT 00144	XURI PROPERTIES LLC	"Lloyd's", listed for sale
Note: All properties on block between S 1st St and W Whitewater St go through entire block.				

Summary of Eminent Development Corporation Submittal

Eminent Development Corporation, a Madison-based development firm, submitted a proposal for a four-story mixed-use building consisting of approximately 13,500 square feet of ground-floor commercial space and approximately 45 residential units above (a mix of one, two, and three-bedroom units), with 49 parking spaces. A meaningful portion of the units would be reserved as workforce housing for individuals such as teachers, public safety personnel, healthcare workers, and other essential public professionals, with the balance offered at market rate. The remaining units would be targeted at market-rate rent levels. This will not be a low-income or luxury housing project.

The proposed capital stack includes a HUD Section 538 loan (approximately 65% of development costs), a TIF-backed revenue bond of up to approximately $2.5 million supported by new tax increment within TID #12, and approximately $3.0 million in sponsor and investor equity. Note that HUD Section 538 is strictly a loan program to help finance residential development projects; this is not a housing voucher program and is separate from the commonly referenced Section 8 program.

The developer has also agreed that, if Ehlers' financial review determines that TIF assistance is necessary for the project, that assistance will be structured on a pay-as-you-go (PAYGO) basis, reimbursed solely from tax increment generated by the project within TID #12. Under this structure, any assistance is funded by the project's own increment and is not an incentive borne by general taxpayers. As a reminder, any new construction project that occurs within an existing TID will see that increment remain within that TID fund, until the closure of that TID at a later date. TID #12 was created in 2021 and has a statutory closure date of 2049, though closure could occur sooner.

The developer has proposed acquisition of the site for $1, with land value reinvested into the project. The CDA, if it chooses, could be reimbursed for this land value through future increment generated (this will be City staff's recommendation). Based on the development team's projections, the project is estimated to generate approximately $5.8 million in tax increment over 15 years, with an estimated $2.75 million in surplus increment flowing to the City after potential incentive repayment.

Next Steps

The Developer has submitted an Offer to Purchase on the property, while continuing their due diligence work on the site, which will be reviewed by the Whitewater CDA. Additionally, the developer plans to bring an initial development concept for review at a future date to the Plan and Architectural Review Commission. Finally, a mutually agreed upon Development Agreement will be brought back for review by both the CDA and Common Council in the future.

No immediate action is needed on this item; this memo is for informational purposes.