



**Economic Development Board
November 4, 2014 7:30am
Minutes**

1. Call to Order, Roll Call.

Members present: Tim Carr, Jim Baka, Mason Holbrook, Gloria Rosenberg, Bill Arpe, Harry Kollman, John Wirth, Ald. Pam Adams

Staff and City Representatives Present:

Kim Tollefson, Director of Community Development

2. Approval of meeting minutes of June 24, 2014.

The board asked for the minutes from July and September.

Mr. Baka moved to approve the meeting minutes of June 24, 2014.

Mr. Kollman seconded the motion.

A voice vote was called. All voted aye.

3. The process and timeline for the RFP

Ms. Kim Tollefson updated the Board about the following items:

- Ms. Tollefson sent out the Milwaukee Park East RFP, which is a rolling and open RFP, to review and maybe borrow some information.
- The goal is to create the opportunity for a developer to start Phase I of a project by late summer/early Fall of next year. She will work backwards from that potential date. The Board needs to consider a development approval process.
- Ms. Tollefson wants to consider an announcement in mid-January about the property. An announcement in late December or early January would let the development companies know that it is coming so that it might encourage them to start thinking about the project even without all the details of the RFP. This allows for planning in for the first part of 2015
- If the Economic Development Board (the Board) makes recommendations for the Common Council (CC), then Ms. Tollefson can work with the CC in closed session to establish big picture parameters as well as key elements of what might be required in the development agreement. Then the framework of that development agreement could be part of the offer. The greater certainty of process and development standards provided will help eliminate some uncertainty from the developers.

Mr. Wirth stated that many companies will not respond to an RFP because it is very expensive for them and takes a lot of time and effort. Then municipalities often times face political battles from their communities because the goal is not always clear what the community is going to accept. He stated that unless there is an incredible incentive or extremely clear parameters, many companies will not make the effort. He raised the question that if there are clear parameters, should the city do an RFP instead of putting the property for sale on the open market.

Ms. Tollefson stated that the development goals both broad and specific, except for that property specifically, are established from the new Town Center zoning district and there are

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examples of recent development that the city would like this to relate to. The expectation is that this property would be a mix of residential and retail space.

Ms. Adams stated that she feels that the RFP can be limiting and that the city may not want the parameters to be too specific.

Mr. Wirth offered that the city wants to obtain a certain price but the end goal is get the development done. He reiterated again that the process of doing an RFP for companies is very costly. He stated that the politics can intimidate developers as well.

Ms. Tollefson stated that it will be important to do the legwork upfront which will help to eliminate the political and process uncertainty. She explained that there are cues on that property and the type of development that would most likely be submitted.

Mr. Arpe stated that it is important to get the word out to as many people as possible. He understands that staff will work with any developers on what is acceptable for that property.

Ms. Tollefson stated that an advantage of doing an RFP is the ability to compare different development proposals and possibly obtain the most competitive financial package.

Mr. Wirth expressed his feeling against doing an RFP. He feels that it is too expensive and timely for developers to go through the process.

Ms. Adams stated that she hoped this process would attract some new developers to this property. She asked Mr. Wirth about hiring a broker to promote the property.

Mr. Arpe shared that the word is already out that this property will be available. He recommends we go outside the community to attract developers from elsewhere. He feels it is best to get as many as possible to submit proposals.

Mr. Wirth reminded the board that brokers will want a commission for their work, although you can determine what percentage it will be. He stated that a broker will reach out to a more national base.

Mr. Baka asked if the RFP could be presented in a more basis form so that the developers would not need to spend as much time and energy to submit proposals.

Ms. Tollefson instructed that the Board needs to decide what the basis of greatest public interest is. She feels that the return on the financial investment is the basis criteria. The zoning is established and the project will yield a mixed-use, pedestrian-oriented development. She proposed these questions: 1) how do we best evaluate the return on the investment and 2) How does the city, through tax base from this project, ensure that it is going to help us recover from overpaying for this property and ensure that the TIF is financially healthy in the long run? Ms. Tollefson referenced the chart enclosed in the confidential board packet of possible scenarios of different possible scenarios from \$22-\$45 million, depending on the mix of development potential. The city needs around \$25 million to close the TIF.

Mr. Arpe stated that he feels that the master plan should display a general concept and entice as many to submit proposals.

Ms. Tollefson reiterated that the Board should consider a specific price point for the property as well as that potential developers should know up front that the city will expect a certain amount of guaranteed assessment out of the project. She added that the value is the most important aspect to achieve. The zoning mandates the usage of the property.

Ms. Adams expressed concern that the city not dictate what the vision should be but that developers to be able to create their own visions.

Ms. Tollefson would like to present a one-page statement with parameters and guidelines for developers. She said it could work to have two separate developers on that property. The city wants it to match the goal of the new Town Center.

Mr. Carr asked about what is most important to the city; the one time price of the property or the tax base increase. Ms. Tollefson reinforced that the long term tax base benefit will generate greater financial benefit, but an initial financial gain at the time of the sale is feasible.

Ms. Tollefson asked the Board if they want to convey the message that the city would like to see a Phase I start construction in the Fall of 2015. This will establish a timeline to work back from.

Mr. Arpe reminded the Board that an environmental report and ALTA survey are needed. He added that a decision about whether the city is knocking down the building needs to be made as well. Mr. Arpe suggested that developer that buys the property should have the

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responsibility to knock down the buildings and not have the city responsible. Ms. Tollefson agreed with Mr. Arpe and also shared that the staff has worked to attain the ALTA survey and environmental report, which the Wells are paying for. Ms. Tollefson also ordered an ALTA survey on everything, so the city will pay for its portion. The environmental Phase I and Phase II are set up to be completed by early December. Mr. Arpe said that the Board needs to look at the reports and then decide how to position the property out to the public.

The closing on the sale of the property will be no later than December 31st, but staff is aiming for mid-December.

Ms. Tollefson would like to start promoting or make an announcement about the property in mid-January.

Mr. Kollman asked about the Planning Commission's (PC) role and the role of CC. Ms. Tollefson explained the process of application and approval processes. The board's role will be to assist in the financial side of the process.

Mr. Wirth shared that some communities streamline the processes when the city is selling the property (like a CDA). It gives one entity the full authority to sell the property and approve processes. Mequon does not have CDA.

The city can negotiate the price of the land. Ms. Tollefson provided examples of prices that recent developments have paid for land. The average is the upper \$200,000 - \$300,000 per acre. For 12 acres it would be just over \$3million dollars.

Mr. Wirth stated that the city should be less glitzy and concentrate more on the facts, in regards to developing the marketing piece for the sale of the property. It will be sophisticated and it should convey that it will not be a process that scares developers away.

4. Convene into Closed Session:

The Economic Development Board adjourned into closed session pursuant to Section 19.85(1)e, Wisconsin State Statutes, deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session (Land Acquisition).

Action:

The board did not go into closed session

5. Announcements

Ms. Tollefson asked for some time to sketch the details of today's meeting. Ms. Tollefson will let the board know when the next meeting will be. The board did ask for a tour of the property. If enough board members want to go then it will be scheduled as a board meeting. She also stated that there are gas tanks to deal with on the property as well as an impound lot and the removal of the sewer maintenance building. She confirmed that the board agrees that the city will not demolish the building on the property but it will be the responsibility of the new buyer. Residents on Buntrock have not yet been informed about new development.

6. Staff Updates

Ms. Tollefson circulated an article naming the wealthiest Milwaukee cities.

- In regards to the PC meeting next week: Ozaukee Washington Land Trust coming forward for a land division to parcel off the piece that will not be developed for the subdivision as part of RiverClub.
- Concord Development is helping to get the Mark Leonard site on the west side of Port Washington Road, just north of Kohler Credit Union developed. It is a mix of office with a potential for a sit down restaurant.
- Veridian Homes has purchased multiple properties in central growth, the previous TDR site. They have PUD approval and they are coming forward for preliminary plat. They are hoping to begin putting infrastructure in in the Spring (Donges Bay and Wauwatosa Rds).

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- They are also on CC agenda to get their concept plan approved for the parcel north of there. (Hadler site). Between the school district property and the TDR site, fronting on Wauwatosa Rd. Veridian also purchased the piece in the middle. Everything will connect and she expressed that it is nice to be working with the same developer. She expects about 25 new single family homes every year for the next 5-8 years. Phase I of both pieces. There are about 20-30 lots in each Phase I. There are bike and pedestrian connections between the properties.
- Ms. Tollefson said that the tenants should be open in Town Center in April, maybe not the restaurant.

Adjourn

Mr. Wirth moved to adjourn the meeting.

Ms. Adams seconded the motion.

A voice vote was called. All voted aye.