



11333 N Cedarburg Road  
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Department of Community Development

**Economic Development Board**  
**July 26, 2016**  
**7:30 AM**  
**North Conference Room**  
**Mequon City Hall**  
**11333 N Cedarburg Road**

**AGENDA**

1. Call to Order, Roll Call.
2. Approval of Meeting Minutes: May 31, 2016
3. RFP: Logeman Center  
***Discuss and Recommend***
4. Staff Updates
5. Announcements  
Next Meeting is August 23, 2016
6. Adjourn

**Dated: July 22, 2016**

**/s/ Tim Carr, Chairman**

.....  
***Notice is hereby given that a quorum of other governmental bodies may be present at this meeting to present, discuss and / or gather information about a subject over which they have decision making responsibility, although they will not take formal action thereto at this meeting.***

*Any questions regarding this agenda may be directed to the Dept. of Community Development office at 262-236-2902, Monday through Friday, 8:00 a.m. – 4:30 p.m.*

*Persons with disabilities requiring accommodations for attendance at this meeting should contact the City Clerk's Office at 262-236-2914, twenty-four (24) hours in advance of the meeting.*



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Department of Community Development

**Economic Development Board**  
**May 3<sup>rd</sup> 2016**  
**7:30 AM**  
**North Conference Room**  
**Mequon City Hall**  
**11333 N Cedarburg Minutes**

**1. Call to Order, Roll Call.**

Members present: Tim Carr, Jim Baka, Gloria Rosenberg, Jon Safran,  
Alt. John Wirth, Alt. Connie Pukaite

Staff and City Representatives Present:

Kim Tollefson, Director of Community Development

**2. Approval of meeting minutes from May 3, 2016**

Mr. Baka moved to approve the minutes as written.

Mr. Safran seconded the motion.

*A voice vote was called. All voted aye (5-0)*

**3. TIF No.3: Town Center Incentive Request for Outpost Natural Foods located at 7590 W. Mequon Road.**

Pam Menhert, General Manager of Outpost  
Nancy Hagerty, real estate agent from Michael Best

Ms. Tollefson stated that Outpost Natural Foods received a TC TIF incentive under the fast track formula. At the time of the approval it was similar to the other actions in that a % split was arrived at so that the City captured some of the increment to the TIF district while the business owner receives the other portion of the increment. At the time, the split was a 30-70 split; 30% of the tax increment would be returned to Outpost. The Development Agreement ("DA") allowed for a true up of the costs. The estimated costs for the site repair are evaluated along with any demolition or remediation as well as an estimated project value; the tax base not only created from the real estate but also from the personal property taxes is factored in. Those numbers have been trued up now that the project has been completed. Outpost identified that at the 30% split they would never receive full reimbursement of the dollars they were eligible to receive in return for the clean-up of the site. This was a variable that was looked at at the time. The EDB debated whether the split should be 30-70 or 25-75. The distinction between these two with the numbers presented at the time, at the 25% split it suggested that Outpost would not have receive full reimbursement and this was a key decision factor that the EDB made in terms of recommending the 30% split to the Common Council. All DA have language that state that at the end of the structured payments if there would be a shortfall then the project development team forgoes those monies. In this particular case, with the true up of the dollars, the difference is about \$30,000 between the original numbers and what they would now be eligible for now. An amendment was drafted to address this issue

and allow for repayment. In any given year as long as the \$30,000 is not exceeded, than the reimbursement could be established. The structure allows for equal payments for the life of the TIF; through 2028.

Ms. Hagerty stated they want to accomplish three things today (exhibit D of the packet):

- 1) Create a MRO, which is the IOU from the City to the developer. This form needs to be created.
- 2) A payment was given to Outpost a year early based on a partial assessment, not the full assessment; they were shorted and would like this to be made up on the back end.
- 3) The payment is supposed to be \$25,270 (page 2 of drafted assessment).

She stated that the estimated fast track total is \$299,214 and the actual was \$328,515 that was to be reimbursed. The total is divided by 13 years and then one payment was to be received every 13 years until that amount was reached, subject to that 30%. Outpost is actually receiving \$18,000 a year. Over the life of the TIF they will receive \$81,000 less than was promised. Instead of a \$4M building they would have to have built a \$5.6M building to reach full payment. They want to ensure that get the total costs covered. On page 4 of the DA there is language that states that the 30% limitation exists but that in the 13<sup>th</sup> payment that a balloon can be granted in the final year if needed. They are worried that if they wait until the 13<sup>th</sup> year that they will not receive the full payment. She asked whether the City intended for Outpost to receive the full \$328,515. She feels that it was just not calculated correctly.

Ms. Tollefson stated that the percentage split could be adjusted if needed. She stated that the % split was analyzed. She feels that there was the intent to get the full reimbursement paid by the end of the life of the TIF. She stated that another variable may be that at the time, the fast track was just being initiated into the TC TIF and had discounted in this fast track formula the ability to get the 5% or 10% incentive because the financial health of the TIF was unknown. This may be a reason that it is not flushing out in this case. The 30-70 split is a lower % than some of the other TC TIF incentives. (Dermond is at 42% and The Reserve is also in the 40's). Those property values are much higher. There is not a standard split percentage established, it is evaluated by each case.

Ms. Hagerty stated that if the City states that the MRO is approved and the amendment with the math accounted for that states the actual cost divided by the 13 years, they would be delighted.

Ald. Wirth stated that the EDB makes a recommendation on the change of the overall policy and does not review the MRO.

Ms. Tollefson explained that the role of the EDB is to reconcile that the intent of the fast track formula is met. There is flexibility within the parameters of the DA standards. The actual true up is what it is and the intention was to pay the full reimbursement. Outpost is performing and meeting all the standards requested. There have been other development projects incentives that have allowed for flexibility in the % split. She suggests that the change to the % be made and Elhers can assist in formulating the correct %.

Ald. Wirth made a motion to approve per staff recommendations.

Ms. Rosenberg seconded the motion.

Mr. Safran questioned why there was not any costs allowed for general contractor supervision fees. He wonders if that was missed and he wants to make sure that future projects have that included.

#### **4. Staff Updates**

The upcoming Planning Commission meeting for June 13<sup>th</sup> agenda items:

- Text amendment to allow indoor sport shooting range. It will be in a B-5 zoning on Granville Road in an existing building. There is a substantial amount of construction that needs to be done to the building for a shooting range build out.
- 4200 County Line Road rezoning recommendation back to single family zoning for a single family home. There will also be a PUD there to control the use.
- Café Hollander approval for festoon lighting there. Their lighting goes above the code lighting.

Ms. Tollefson stated that she has had many community members come in to comment how much they love the building. There have been many compliments from residents who previously disliked the project. They love the all the outdoor spaces there.

Mr. Baka stated that the parking is really issue and will especially be when the cold weather comes.

Ms. Tollefson stated that the goal is for the site to be self-sustaining. As the development in TC grows, there will be more opportunities to park and walk. The city has a responsible for the streetscape to be made more comfortable and accommodating. There are 400 parking stalls in the immediate area; public parking, civil parking and on street parking.

Ald. Pukaite stated that the parking is a serious problem. She stated that she is hearing from the tenants that their customers are complaining; especially the health service businesses. The parking is not for a single restaurant but for multiple businesses.

Ald. Wirth stated that he doesn't think people will park across the street and walk across Mequon Road. He stated that the parking needs to be addressed for future developments.

There was a discussion about possible parking solutions; parking structure.

- Neumann Companies – Highlander Estates final plat approval for Phase I - 36 of 111 total lots.
- River Center (Piggly Wiggly) building and site plan amendment. They started construction before receiving approvals. There are two different roof styles and materials, staff is not supportive of these material choices.
- Sommers has a minor lighting request for their parking lot
- River Club Estates final plat approval

## 5. Announcements

**The next meeting is scheduled for either May 24<sup>th</sup> or May 31<sup>st</sup>.**

The meeting adjourned 8:49 am.



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Department of Community Development

**To:** Economic Development Board  
**From:** Kim Tollefson, Director of Community Development  
**Date:** July 26, 2016  
**Subject:** Logemann Center Building RFP

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**Background:** As part of the recent Town Center Workshop held with the Common Council, there was consensus to remove the vacant Logemann Center building to allow for temporary parking while the City further analyzes programming for the Civic Campus area part of the Town Center neighborhood. Various suggestions have been made for the land including a parking structure, additional surface parking and a public pavilion that offers amenities for users of the park, Town Center and Inter-Urban Trail.

Since that meeting, staff pursued bids on demolition of the building and tower elements. As staff approached the Council to award the bid for demolition (cost of approximately \$100k), an interested public stakeholder approached the Council with the concept of private, commercial development on the site with the use of the vacant building. The Council then directed staff to issue a RFP to solicit the interests of the private development market and evaluated opportunities including demolition of the structure or preservation of the structure.

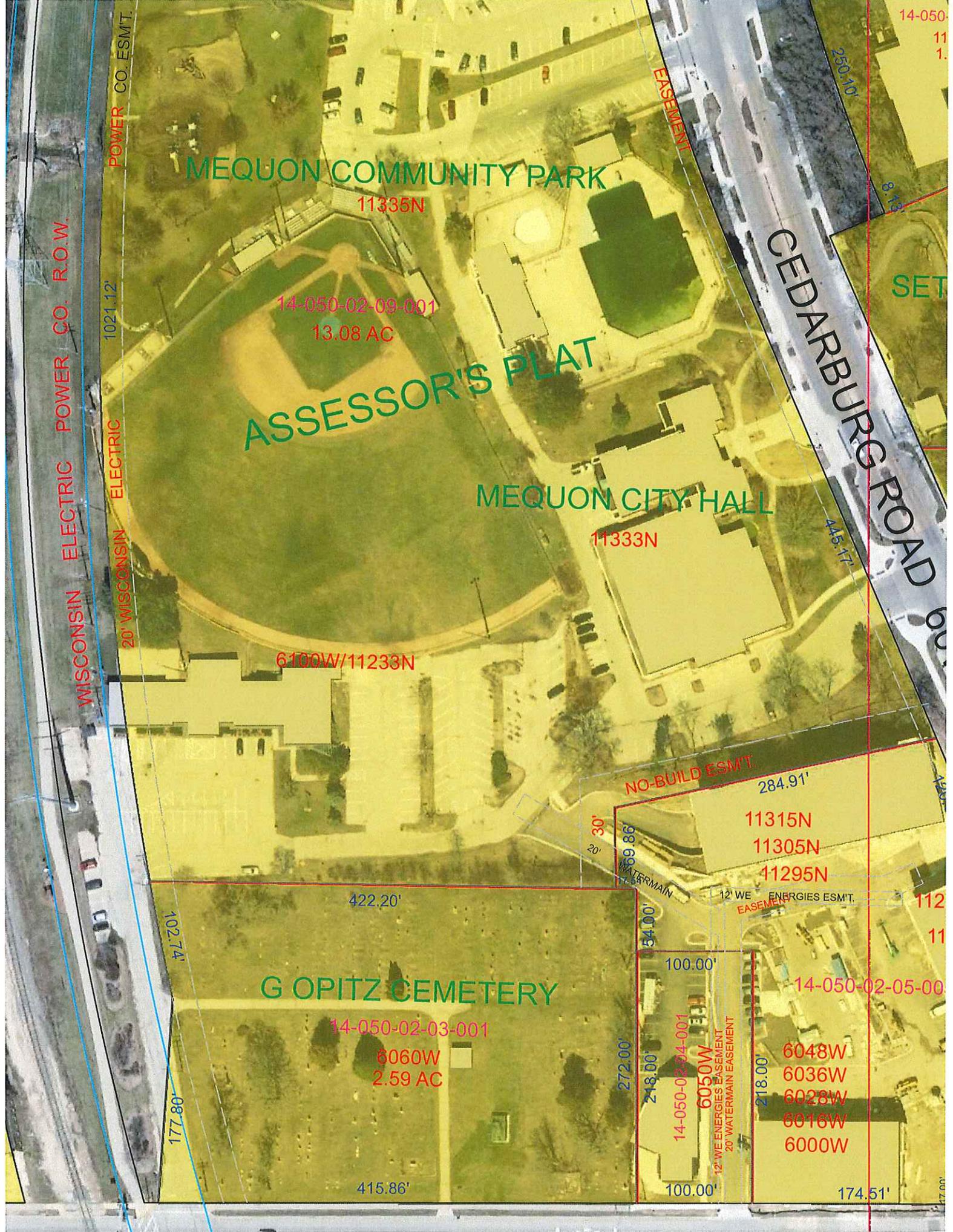
**Site and Building:**

The site is significantly constrained by access, parking easements, lack of required street frontage per the zoning requirements and grade changes. The building is in poor condition (please see attached memo from Kent Sumner) including the presence of asbestos.

**Staff Comments:**

Staff will provide an overview of the site and building conditions are part of the Board meeting and has attached a very rough draft of a Request for Proposals. The request will essentially ask for a proposal that solves for the site constraints and delivers a creative solution and use for the land. The acreage of land available is not determined nor is the preferred development options.

At this time, Planning staff is looking to gain direction from the Board to formalization the RFP. The Council asked that staff issue the RFP as quickly as possible. The Board should consider this item a working session to formalize the request. Staff will issue the RFP after direction is provided by the Board.



POWER CO. ESMT.

WISCONSIN ELECTRIC POWER CO. R.O.W.

1021.12'

20' WISCONSIN ELECTRIC

MEQUON COMMUNITY PARK

11335N

14-050-02-09-001

13.08 AC

ASSESSOR'S PLAT

MEQUON CITY HALL

11333N

6100W/11233N

CEDARBURG ROAD

NO-BUILD ESMT.

284.91'

11315N

11305N

11295N

12' WE ENERGIES ESMT.

112

11

G OPITZ CEMETERY

14-050-02-03-001

6060W

2.59 AC

30'

20'

WATERMAIN

609.86'

54.00'

100.00'

14-050-02-04-001

6050W

12' WE ENERGIES EASEMENT  
20' WATERMAIN EASEMENT

6048W  
6036W  
6028W  
6016W  
6000W

14-050-02-05-00

102.74'

177.80'

422.20'

415.86'

272.00'

218.00'

218.00'

100.00'

174.51'

14-050-  
11  
1.

SET

17.00'



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**BUILDINGS/PUBLIC WORKS**

To: Community Development  
From: Kent Sumner, Buildings Superintendent  
Date: May 16<sup>th</sup>, 2016  
Subject: Logemann Community Center Building Facts

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**Building age :** East end erected 1958 additions 1970's 1984 last facelift 1988 ( 58 years old )

**Roof status :** East half of roof 32 years old  
West half of roof 12 years old ( Leaks )  
Rear Flat Roof 32 years old ( Leaks )

**Air Handlers:** East side original 58 years old ( Needs Replacement)  
Center 3 yrs old  
West side 9 years old

**Air Conditioning Coils :** East side condensing units 28 years old  
Center 3 yrs old  
West side 9 years old

**East side Heating coils :** original 58 years old

**Boilers :** one boiler 13 years old one boiler 4 years old

**Rear Conference Room Addition is sinking away from front structure**

**Windows :** 28 years old

**Parking Lot :** 18 years old

**Buildings budget for operational repairs** \$3000 annually

**Capital Fund on hold since 2004** \$28,487 remaining balance

**Electrical budget** \$17100 annually

**Gas Budget** \$6600 annually

**Sewer budget** \$1265 annually

**Preventative Maintenance Contract** \$1652 annually

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Kent Sumner  
Buildings Superintendent



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Office of Public Works

**TO: Common Council**  
**FROM: Kristen Lundeen, Director of Public Works/City Engineer**  
**DATE: July 12, 2016**  
**SUBJECT: A Resolution Approving Award of the Following in Connection with the Demolition of Logemann Center: A) A Contract for Tower Demolition and Antenna Relocation to General Communications in the Amount of \$10,800; B) A Contract for Asbestos Abatement to Braxton Environmental Services in the Amount of \$11,470; C) A Contract for Building Demolition to Shoreline Contracting Services in the Amount of \$79,638**

### Background

On December 31, 2015, the Logemann Center, LLC ceased operations ahead of the 2018 lease term date. Prior to that time, the group leased the facility from the City of Mequon for \$1/year to operate a community center. Upon termination of the lease, the City provided short term leases to various tenants to provide sufficient time for tenants to secure new leases in alternate locations. The final tenant vacated the building on June 1, 2016.

At a Town Center Workshop on June 7, the Committee of the Whole directed staff to pursue the demolition of the Logemann Community Center. While the long term use of the site is yet to be determined, upon demolition the site will be used as a temporary gravel parking lot for the civic campus and adjacent Town Center uses.

With Common Council approval of the contracts, the asbestos abatement will proceed first, with anticipated completion of demolition and restoration by August 20.

### Analysis

The Logemann Community Center facility itself requires significant repairs and upgrades in its current state. The original facility consisting of the west end of the building was erected in the late 1940's, and the City of Mequon acquired the original structure in 1958. There have been several additions through the 1970's and a final facelift was completed in 1988.

The current state of the building includes and/or requires the following repairs:

- The east half of the roof is 32 years old, the west half of the roof was most recently repaired 12 years ago but leaks significantly, and the rear flat roof which also leaks is also 32 years old.
- The air handlers on the east side of the building are original to the building and at 42 years old require replacement.

- The east side condensing units on the air conditioner are 28 years old and require replacement.
- The east side heating coils are original to the building and at 58 years old are in need of replacement. The west side heating coils are 42 years old and are also in need of replacement.
- All black iron and lead piping (Sewer and Water) original to the structure are in need of replacement.
- The rear conference room addition is sinking away from the structure and would require significant cost to ensure that it is structurally sound.
- The windows are 28 years old and inefficient in terms of energy consumption.

In its current state, the extent of the required repairs outpaces the value of the facility. In addition, staff does not consider the facility to be the highest and best use for the site.

**Fiscal Impact**

Due to the existing lease at the time of the creation of the FY2016 budget, staff was not aware that the demolition of the Logemann Center was anticipated. Therefore no FY2016 budget requests were made to address the cost of demolition. Approving the demolition contract in FY2016 allows the City to immediately benefit from savings in operating costs and allows the establishment of a temporary parking lot with the ultimate goal of establishing a permanent use for the site. Postponing the demolition contract to FY2017 may yield increased bid prices.

The City operates and maintains the facility at an annual expenditure of approximately \$30,000. The operational costs include:

- **Buildings budget for operational repairs:** \$3,000 annually
- **Electrical budget:** \$17,100 annually
- **Gas budget:** \$6,600 annually
- **Sewer budget:** \$1,265 annually
- **Preventative maintenance contract:** \$1,652 annually

In addition to the direct operational cost savings, the demolition of the building also eliminates staff time associated with mowing, snow blowing and Building Maintenance staff service time.

Several elements of the building will be repurposed as a part of the demolition. Any proceeds from selling those elements will be credited to the capital account. Proceeds are estimated between \$10,000-15,000.

In addition, staff has initiated the disconnection of utilities (electric, gas, sanitary and water), the costs of which will be funded from the operating account (approximately \$2,650). A repeater antenna for some of the City’s communication operations was located on the tower adjacent to the Logemann Community Center and received its power source from the building. The repeater was relocated at a cost of \$4,400.

The City solicited bids for the demolition of the Logemann Community Center building, with an

additional bid for the demolition of the tower adjacent to the facility. The City received four bids, and the lowest responsible bid was received from Shoreline Contracting Services, Inc. in the amount of \$79,638. While Shoreline provided a bid for the antennae removal at \$10,000, the City received a separate bid from General Communications to remove the antennae itself for \$6,400 and Shoreline agreed to remove the antennae foundation. The bid summaries are attached.

Prior to the demolition of the building, the asbestos throughout the building will need to be abated. A summary of the bids for the abatement are attached. The City will proceed with Braxton Environmental Services Corporation at \$11,470.

The City will fund the demolition through the existing Logemann Center capital fund account, which has a balance of \$37,511. The remaining expenses will be paid through fund balance, proceeds from the sale of repurposed materials and savings in operating costs through the end of the year. Funding sources are provided in the table below. It should be noted that based upon an anticipated funding shortfall of \$34,489 and an annual operational savings of approximately \$30,000, the payback period for this project is just over one year.

Demolition Costs		Funding Sources	
Antenna Relocation	\$ 4,400.00	Capital Fund Balance	\$37,511.35
Tower Demolition	\$ 6,400.00	FY2016 Operational Savings	\$17,907.57
Asbestos Abatement	\$ 11,470.00	Resale of Building Elements	\$12,000.00
Building Demolition	\$ 79,638.00		
	\$101,908.00		\$67,418.92
	Anticipated Funding Deficit		\$34,489.08

**Recommendation**

It is staff's recommendation that the Public Works Committee favorably endorse and the Common Council approve Resolution 3392, which authorizes staff to execute contracts with General Communications in the amount of \$10,800, Braxton Environmental Services Corporation in the amount of \$11,470 and Shoreline Contracting Services, Inc. in the amount of \$79,638.

Attachments:  
Bid Summary (PDF)

Logemann Community Center Demolition  
Bid Summary

Asbestos Removal

<i>Braxton Environmental Services Corp.</i>	\$	11,470.00
<i>White Glove Group, Inc.</i>	\$	13,200.00
<i>Insulation Removal Ltd.</i>	\$	29,987.00

Logemann Community Center Demolition

	<b>Building Demolition</b>	<b>Tower Removal</b>	<b>Tank/Cistern Removal</b>
<i>Shoreline Contracting Services, Inc.</i>	\$ 79,638.00	\$ 10,000.00	Included in Bldg Cost
<i>Spielvogel &amp; Sons Excavating, Inc.</i>	\$ 96,900.00	Not Bid	Included in Bldg Cost
<i>C.W. Purpero, Inc.</i>	\$ 128,800.00	\$ 8,600.00	\$ 13,000.00
<i>WSO Grading and Excavating LLC</i>	\$ 243,484.00	\$ 20,200.00	\$ 12,280.00

Antennae Only

<i>General Communications</i>	\$	6,400.00
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Attachment: Bid Summary (RESOLUTION 3392 : Logemann Center Demolition Contract Award)



Fabulous Photo here

## FOR SALE

### BUILDING AND REDEVELOPMENT

PARCEL IN THE TOWN CENTER CIVIC CAMPUS OF MEQUON, WI.

SITE SIZE: TBD

ZONING CODE: INSTITUTIONAL AND PUBLIC SERVICE (IPS)

### PROPERTY SPECIFICATIONS

CURRENT USE	CURRENTLY CITY-OWNED VACANT BUILDING
SHAPE	TBD
MAXIMUM ACREAGE	TBD
PRIMARY STREET	ACCESS THROUGH CITY HALL ACCESS FROM CEDARBURG ROAD
PRIMARY STREET FRONTAGE	NONE
SECONDARY STREET FRONTAGE	NONE
VIEWS	CITY'S CIVIC CAMPUS / INTER-URBAN TRAIL / EXPECTED REDEVELOPMENT SITE TO WEST / RAILROAD AND EXPECTED CROSSING
FREEWAY ACCESS	CONVENIENT ACCESS TO I-43 & HWY 45
ZONING / DEED RESTRICTIONS	IPS ZONING / LIMITED ACCESS / LIMITED BY EASEMENTS FOR ACCESS, UTILITIES, LAND AND PARKING
CURB/GUTTER	No
CURRENT SITE CONDITIONS	VACANT STRUCTURE / PAVING / GRAVEL / TOWER / GRADE CHANGES
TOPOGRAPHY	SOUTH PORTION: RELATIVELY FLAT / NORTH PORTION: SLOPES FROM WEST TO EAST AND SOUTH TO NORTH
PROPERTY TAXES	CITY TAX RATE IS 3.04
UTILITIES	ALL UTILITIES ARE AVAILABLE AT SITE (PUBLIC WATER, SEWER, GAS)

## TOWN CENTER NEIGHBORHOOD

### CITY CIVIC CAMPUS SETTING

CITY OWNED SITE LOCATED IN AN AREA IN WHICH A TRADITIONAL, PEDESTRIAN ORIENTED, URBAN NEIGHBORHOOD IS BEING ESTABLISHED. LOCATED WITHIN THE CITY'S CIVIC CAMPUS



## FOR SALE

CIVIC CAMPUS DEVELOPMENT PARCEL IN  
TOWN CENTER OF MEQUON, WISCONSIN

### PROJECT INFORMATION

#### **TIMING**

THE CITY IS ACCEPTING BIDS ON A PORTION OF THE CIVIC CAMPUS PARCEL THAT INCLUDES THE VACANT LOGEMAN CENTER BUILDING. SUBMISSIONS ARE DUE AUGUST 26, 2016.

#### **SELECTION PROCESS**

BASED ON PROPOSED USE

BASED ON IDENTITY OF ISSUES AND RECOMMENDED SOLUTIONS (MARKET, ECONOMIC FEASIBILITY, TIMING AND SITE CONDITIONS)

BASED ON ABILITY TO DELIVER ANY DEVELOPMENT OPTIONS

#### **PRICING**

THE BID SHALL ALSO PROVIDE A REDEVELOPMENT PROJECT VALUE WITH A MINIMUM GUARANTEED ASSESSED VALUE BY EXPECTED DATE. THE BID SHALL PROVIDE PURCHASE PRICE FOR SITE ACREAGE AND BUILDING

#### **TAX INCREMENTAL DISTRICT (TID)**

THE SITE IS LOCATED IN THE TOWN CENTER TID #3. THE CITY HAS MADE PUBLIC INFRASTRUCTURE IMPROVEMENTS THROUGH THE TID.

#### **TOWN CENTER ZONING AND ASSOCIATED PLANS**

THE SITE IS PART OF THE CITY OF MEQUON CIVIC CAMPUS AND CURRENTLY ZONED IPS. ADJACENT PARCELS ARE ZONED AS TOWN CENTER. THE TOWN CENTER ZONING DISTRICT IS INTENDED TO CREATE & ESTABLISH A TRADITIONAL, PEDESTRIAN ORIENTED & VIBRANT NEIGHBORHOOD FOR GATHERING. THIS IS THE CITY'S MOST FLEXIBLE DISTRICT ENCOURAGING MIXED-USE DEVELOPMENT & HIGHER DENSITY RESIDENTIAL DEVELOPMENT. TRADITIONAL URBAN DESIGN PRINCIPLES ARE REQUIRED. SEVERAL PLANNING DOCUMENTS ARE AVAILABLE FOR REVIEW IN ADDITION TO THE ZONING STANDARDS.

#### **TOUR & Q&A SESSION WITH CITY OFFICIALS:**

A TOUR OF THE PROPERTY AND OPEN DISCUSSION WITH CITY STAFF WILL BE AVAILABLE ON X FROM X TO X. RSVP IS REQUIRED AT [INFO@TOWNCENTERMEQUON.COM](mailto:INFO@TOWNCENTERMEQUON.COM) BY X.

## CONTACT

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