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COMMUNITY DEVELOPMENT COMMITTEE MEETING
Tuesday, May 9, 2006

PRESENT: Alds. Birschel, Didier, Donegan, Herzog, Krill (8:15 p.m.), Meaux (8:15 p.m.), Sullivan,
Treis -8

ALSO PRESENT: N. Welch, Community Dev. Dir.

Ald. Treis as Chair called the meeting to order at 8:03 p.m. -6

Development of the 18-Acre Public Works Site South of Walnut Road

Ms. Welch pointed out the subject site on an aerial view and map of the area. Approximately 18 acres in size, it is city-owned land from which materials were removed and clean fill compacted to engineering standards. The critical question at this point is whether the city wishes to develop it and, if so, what the desired use is and by what process a developer would be identified. The city issued an RFP (request for proposals) approximately eight years ago and received some warehouse proposals that were not pursued. A second RFP issued in 2002 yielded seven proposals, six for multi-family housing and one for a sports complex that was later withdrawn. There was not a clear decision to develop at that time, however, and there was some opposition from the neighborhood for various uses. With the city now receiving new expressions of interest, staff believes it is important to find out the will of this committee and the Council regarding this site. In a memo to the committee, Ms. Welch raised the following issues for discussion: 1) Does the city wish to pursue development of this site at this time? 2) should the site be used for residential, commercial, warehousing, recreational, or other use? 3) What procedures should be used to solicit and review proposals? 4) What criteria should be used to select a developer? 5) What level of support will the Common Council provide for development of the site?

The Chair added that the most recent proposals were narrowed down to two or three, but the matter was then held because of interest from a group trying to raise funds for a baseball field. That group has since gone to other county sites.

Tim Casey, 8102 Jackson Park Boulevard, a principal at Equity Commercial Real Estate, 10425 W. North Avenue, said he has been retained by Cobalt Partners to provide real estate brokerage/development assistance regarding their interest in this site. In a February 9, 2006 letter, they submitted an offer to purchase and expressed interest in a proprietary development opportunity. He noted that eight years ago he submitted a proposal for flexible warehouse-type use on this site on behalf of Centerpoint Properties. At that time the need for fill and infrastructure affected the economics of projects, but the site is now more developable and buildable.

Jim Heffernan, 2340 Woodbury Court, Brookfield, a principal with Cobalt Partners, 135 W. Wells Street, Milwaukee, said Cobalt Partners represents a large light industrial employer with many facilities throughout the greater Milwaukee area. They have elected to keep their identity confidential at this time. Their use would be logistical in nature with light truck traffic similar to that at Miller Brands. The structure would be of the highest precast construction for industrial use and would not exceed two stories in height. They are interested in this site because of its location and proximity to the expressway. They are asking for a 180-day due diligence period after which they would go public and submit a specific site plan to the Council for their review.

(Alds. Meaux and Krill present. -8)

Ald. Birschel noted that he was not in office then but attended many meetings in connection with the earlier RFP responses. He recalled interest in a mixed residential proposal by Toldt Development. He endorsed holding a public meeting at which area residents could be given an overview and present ideas. One issue has been a preference for ingress and egress on 113th Street at Watertown Plank Road over Walnut Road access.

Ald. Sullivan asked about comparative tax levies. Ms. Welch said the estimated cost for this light industrial building is \$10-\$12 million, and the estimated construction cost for the Toldt development was \$34 million. Ald. Sullivan commented on the desirability of creating new jobs. He observed that any proposal will probably face some neighborhood opposition, so past opposition should not be viewed as a reason not to proceed. He questioned why this site was chosen rather than others that are also close to the freeway.

Ms. Welch clarified that the intent here is not to focus on specific proposals but to begin discussion toward deciding if the site should be developed, how it should be developed, and then considering criteria such as traffic impact, end value, infrastructure, and whether TIF funding is involved. The most recent RFP clearly stated there would be no TIF funding. There also is a question of total development cost and the impact on the tax base versus a one-time land sale and one-time benefit in addition to the development. Tax base should also be balanced against employment, housing, and other opportunities. Parkland, which also had some support, would provide a different type of value to the community. The land is currently zoned Business Planned Development, which does allow light manufacturing uses provided there are no noxious odors, loud noises, or other issues detrimental to surrounding uses. An enclosed warehouse with some trucking could be considered if it meets those criteria. Any use would require preliminary and final plans that would go through the normal review process including public hearings and other public input.

Ald. Herzog asked about trucking movements in connection with the Cobalt proposal. Mr. Casey indicated that all trucking needs could be accommodated on 113th Street, although signals at Watertown Plank would likely be necessary, which the project could absorb or contribute toward. No access to Walnut Road would be requested.

Ald. Herzog recalled some discussion of TIF financing in connection with the responses to the most recent RFP. Ms. Welch said that the preferred option would be not to use TIF. The previous RFP held the developer responsible for infrastructure costs. Ald. Herzog commented that the current proposal warrants follow-up but there is a duty to get the best use and/or dollars for the site. How do we decide what is the best use? Ms. Welch again advised starting at the beginning with the question of whether to develop the site. If proceeding, an RFP seeking a range of competing offers would also involve developing criteria on what the city wants to see there.

In response to questions from Ald. Meaux, Ms. Welch said that the variety of adjacent uses makes it difficult to say a single zoning use is an obvious choice. There is industrial use to the south, land that will remain undeveloped to the east, public works land to the northeast, a strip of multi-family apartments and duplexes to the west, and the police station to the north. An area north of the police station that is often discussed as potential neighborhood parkland is bordered by single-family residential. It is advantageous to have a vision of what will work on the site before responding to individual proposals.

Ald. Meaux commented on the need to consider serious congestion problems occurring on Watertown Plank Road east of Hwy. 45, especially given the timetables of the state DOT.

In response to questions and comments from Ald. Donegan, Ms. Welch said that the 2002 RFP was left open for response from the development committee on what could go there. Most developers prefer to negotiate when

there are some clear guidelines. Ald. Donegan commented that this land is ready to be developed, we need to expand our tax base, and we have a proposal with some appeal. He advised proceeding as quickly as possible to establish criteria that allows for a rational and expeditious process. It seems that the best return to the city on an ongoing basis would be multi-family residential, but that also may be the most controversial in terms of the surrounding neighborhood. He advised first deciding as a committee to develop the site as a revenue source, not as a park, and then engaging in a process that includes public input. The hardest question would be first: What is the appetite for multi-family development?

Ms. Welch clarified that approval or disapproval of the Cobalt proposal is not being sought at this time. The Assessor could, perhaps, comment on the relative value of different types of developments. She noted that selling to the highest bidder is not necessarily in the city's best interest because of other factors that must be considered.

Ald. Krill felt that there is value in bringing in 150 jobs and said he would not want to exclude the Cobalt proposal. He agreed with development as a revenue producing property and listed some of the considerations. Although we have a developer here with a specific idea of how to move forward, others may also be interested. Ms. Welch confirmed that at least one other developer is following this issue and there has been periodic interest from some of the previous developers. Also, developers often call to ask where they can develop in the city.

The Chair commented on the need to establish some procedures. The committee may wish to recommend a general RFP of the type used previously, which would give the committee the opportunity to look at whatever is out there rather than taking the first offer.

Ald. Sullivan recommended proceeding with the due diligence aspect of the current proposal. There may be others out there, and those who made the previous proposals should be re-contacted. It would be better to have a \$30 million development than a \$10 million one, the only trade off being a significant number of family-supporting jobs, which would have a different value.

Moved by Ald. Sullivan to pursue development of this project through the proposed due diligence process but also hold public meetings to determine preferences and options –

Ald. Sullivan withdrew the motion.

Moved by Ald. Didier, seconded by Ald. Sullivan to pursue development on this site at this time, working with the Community Development Director to come up with some criteria and sending out RFPs –

Ald. Didier was asked about a time frame and commented on how the committee might work to make the time frame more reasonable. Ms. Welch said that she will pull out the previous RFP for review and consideration of modifying factors. There should be some clarification on whether it is the city's goal to profit from sale of the land or to get the best offer for the tax base. The developer's responsibility for infrastructure should also be clarified. Ald. Donegan felt that the committee should be able to tell Ms. Welch what is acceptable and provide other criteria as well as establish what is acceptable or not acceptable to the neighbors. Taking a few steps and providing some direction will lead to a better sense of how long this will take. Asked about developing more criteria before reviewing the RFP, Ms. Welch said that developers will want some assurance that their proposals will be taken seriously and that the Council is not suddenly going to say they don't want to consider a particular type of development. If certain uses are not to be considered, she would write the RFP accordingly. Ald. Meaux spoke of the need to determine broad or overreaching expectations and narrow the scope of the RFP.

Ald. Herzog advised proceeding with addressing the five questions raised in Ms. Welch's memo to the committee. He called the question.

With consent of the second, Ald. Didier withdrew the motion.

Moved by Ald. Didier, seconded by Ald. Sullivan to pursue development on this site. Ayes: 8

Moved by Ald. Krill, seconded by Ald. Didier to develop criteria to examine this site for residential, commercial, or warehouse uses or a combination of those uses –

Ald. Meaux expressed discomfort with refining criteria now since he and some other committee members have not yet seen the prior RFP. There was further discussion of how to answer the question of options. Ms. Welch said that, if willing to consider all of the uses in the motion, the next question becomes is one of seeking highest development value, placing a premium on job creation, or looking for some other form. The site is generally not suitable for retail, so commercial would mean some type of office use. Residential right now would probably give the greatest value but will not provide jobs and will generate traffic and the need for services. Warehouse use would require certain minor services. It might be necessary to define "light industrial" if that term is used.

Vote on the motion, Ayes: 8

Moved by Ald. Krill, seconded by Ald. Sullivan to request that the Community Development Director submit at the next meeting a proposal on possible procedures to be used to solicit and review proposals –

Ald. Didier raised the question of including more parameters such as the number of stories or density for residential or requiring more green space for warehousing use. Ms. Welch endorsed providing that type of information to developers. Further discussion of how to proceed followed. Ald. Krill concluded that Ms. Welch should come back with ideas and alternatives for the committee's consideration. Ald. Herzog felt that previous developers who were interested, along with the current developer, should be invited to make presentations, after which a decision about issuing another RFP could be made.

With consent of the second, Ald. Krill withdrew the motion.

Moved by Ald. Herzog, seconded by Ald. Krill to invite developers who previously submitted proposals to come back, providing committee members with copies to facilitate discussion of what was on the table. Ayes: 8

Ms. Welch said that the issue of infrastructure costs does not have to be determined tonight. Someone might be interested in developing the site without a TIF incentive, but there is also an argument that incentives might help ensure development of a desired type. Ms. Welch indicated that she will contact the developers and will forward information to committee members on those who are still interested along with a summary chart that compares the previous proposals.

The meeting adjourned at 9:20 p.m.

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Carla A. Ledesma, City Clerk
Wauwatosa, Wisconsin