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COMMUNITY DEVELOPMENT COMMITTEE MEETING
Tuesday, November 14, 2006

PRESENT: Alds. Birschel (8:13 p.m.), Didier (8:13 p.m.), Donegan, Herzog, Krill, Meaux, Sullivan (8:13 p.m.), Treis -8

ALSO N. Welch, Community Development Dir.; Chief D. Redman, Deputy Chief W. Rice, Deputy Fire
PRESENT Chief P. Nook, Fire Dept.; A. Kesner, City Atty.; J. Archambo, City Admin.

Ald. Treis as Chair called the meeting to order at 8:10 p.m. -5

Certified Survey Map – 9400 W. Congress Street

The committee reviewed a request by Alan Marcuvitz, agent for The Milwaukee Hellenic community, for a Certified Survey Map in the AAA Single Family Residence District at 9400 W. Congress Street. This will to reconfigure Lots 1 and 2 at the Annunciation Greek Church and will preserve street access for both parcels. The action meets all applicable zoning requirements, and the Plan Commission unanimously recommended approval.

Mr. John Gallanis, 1200 Woodlawn Circle, Elm Grove, said that the church will be on one parcel and their cultural center on the other.

Moved by Ald. Krill, seconded by Ald. Donegan to recommend to Council approval of a Certified Survey Map as requested. Ayes: 5

Certified Survey Map – 3300 N. 124th Street

The committee reviewed a request by Thomas R. Savage for a Certified Survey Map in the AA Industrial District at 3300 N. 124th Street. Ms. Welch reported that this action does not create a new parcel but will clear up some issues related to the parcel created and sold to Continental Properties and the larger parcel owned by Briggs and Stratton. It meets all zoning requirements. The Plan Commission unanimously recommended approval.

Moved by Ald. Herzog, seconded by Ald. Donegan to recommend to Council approval of a Certified Survey Map as requested. Ayes: 5

(Alds. Birschel, Didier, Sullivan present. -8)

Fire Department Facility Study – Potential Sites

The Chair indicated that it would be his intention tonight to hear of the additional sites mentioned at the previous meeting and then proceed to making a decision from the sites presented thus far.

Moved by Ald. Krill to hear the two other site presentations and then close off consideration of any additional sites –

Ald. Donegan said that he would like to know what the other two sites are before voting on a motion of this kind.

Ald. Krill withdrew the motion.

Ms. Welch referred to a letter from Dale R. Mussatti, 7935 Harwood Avenue, recommending a site at 6830-6900 W. State Street comprised of two parcels zoned Light Manufacturing. This site did not make the first cut during staff review because of concerns with access on and off State Street and the size of the site, which is just under one acre. Ms. Welch estimated the value of the site at just under \$1 million.

Deputy Chief Rice said that the site is a little beyond what the department feels comfortable with as an eastern border, is in a very active area, and is a small lot. The concern with covering neighborhoods in the western portion of this station's response area is not just the distance but also the potential congestion on State Street that could slow down response. It is a difficult area to navigate because of traffic levels and the tightness of the street. The concerns here about being too far east are similar to the department's concerns about the 68th and Milwaukee site.

Ald. Donegan said he has the same ingress and egress concerns about the Blanchard parking lot site since Wauwatosa Avenue can be very congested at certain times. Deputy Chief Rice responded that he cannot recall any traffic congestion or backups in that area of Wauwatosa Avenue. They encounter more traffic when responding east down State Street where they find a tremendous amount in either direction around 70th Street due to taverns, restaurants, grocery stores, and Hart Park. Chief Redman added that ingress/egress at the Blanchard parking lot site loses a couple of points on the matrix but the total score there is better because the city owns the property. Ald. Donegan requested a precise evaluation of the 6830-6900 W. State Street site as soon as possible.

Representatives of Cobalt Partners including Jim Heffernan, Scott Yauck, and Charles Gabelman, then made a Power Point presentation on alternate locations in the Village. Mr. Heffernan described the Blanchard parking lot site as an underutilized opportunity and a potential gateway from Hart Park to the Village commons area. Placing the fire station there sacrifices the long-term possibilities of that site, he said. The proposal presented at the previous meeting adds to existing clutter, adversely affects public parking, and displaces the economic engine that the parcel provides. It also underestimates the challenges there in terms of grade, natural light, and interior views.

Mr. Heffernan pointed out properties adjacent to the Blanchard parking lot site that Cobalt Properties currently controls, having purchase agreements in place for those homes or businesses in the hopes of redeveloping this parcel. They are in discussions with the Swan family regarding their parcel on the corner at the top of the hill and believe they will come to terms on that parcel as well. Their vision is a mixed-use project incorporating a variety of shapes, sizes, and materials in a 1930s-style exterior. Mr. Heffernan spoke of a \$40 million reinvestment in the Village that incorporates over 500 public parking stalls, over 34,000 sq. ft. of retail shops, offices, and restaurants, and high-end condos with amenities such as a lap pool, health club, and concierge.

Mr. Heffernan described an alternate site for the fire station on State Street at Harmonee Avenue. Spanning the river and with 180 feet of State Street frontage, it is on otherwise unusable land that is publicly owned. It is adjacent to the 219 parking stalls south of the river. It places a 1930s-style firehouse on the city's "Main Street," provides four-sided architecture and natural light, provides public access to the river and the parkway, and provides added safety to existing public parking. It allows for environmentally controlled access to the river and introduces another pedestrian walkway to the river. Mr. Heffernan reported that Chief Redman views this as an operationally sound location and scored it at 39 on his scoring matrix, the best overall score of all sites considered to date. The proposal allows for a 60-foot apron and a 34,000 sq. ft. station.

Mr. Heffernan reported that representatives of the DNR have been on the site and have welcomed the opportunity to meet with staff in Madison if the committee is interested. An insurance underwriter has said that being hit by

lightning would be more likely than a train derailment on the adjacent tracks. Floodplain and contamination issues would be addressed through pilings. Utility service would be housed in a sleeve coming off of State Street. The MMSD deep tunnel is 300 feet below grade in railroad right-of-way just south of the parcel. Cobalt Partners would be willing to fund relocation of the historical Little Red Store from this site to a more appropriate setting, perhaps in Hart Park. The cost of the building's platform would be a little over \$1.6 million. As part of an agreement with the city, they are prepared to build the station for the city for \$1.

In response to questions, Ms. Welch said that a DNR representative has expressed strong reservations on this placement in connection with floodplains and floodways as well as the environmental question of a structure shading a portion of the river. There are also issues of how it would be built and impacts on stormwater.

Lynn Broaddus, 537 N. 67th Street, executive director of Friends of Milwaukee's Rivers, foresaw significant issues regarding shading of a large area of the river. She would have a lot of reservations and believes the public would as well. Debra Siemer, 7341 Harwood Avenue, commented that she is confused about discussion of the Blanchard site for development of something other than a fire station. Russ Drover, 7530 W. State Street, said that the State Street site would be perfect and the design is good and asked about possible expansion at the present site without acquiring other land. Bryan Olen of Wauwatosa Savings Bank, 7500 W. State Street, said they support the concept of this proposal insofar as it keeps and expands current parking at the Blanchard parking lot.

Gene Guskowski, 1035 Laurel Court, speaking as chair of the Wauwatosa Historical Society, said that Cobalt Partners has not approached the Historical Society regarding relocation of the Little Red Store, displacement of which would require discussion in great detail. They would be very concerned about the building's well being.

Ald. Donegan asked about the sale value of the city-owned land, the increment for new development by not placing a fire station on either of the sites, and how that defrays the city's costs. He felt that discussion tonight should be limited to alternative fire station sites rather than development proposals, although it is good to know of the potential for development of those two sites. Ald. Krill concurred, stating that he would assume that the Cobalt development proposal would be considered along with any others. Ald. Sullivan felt that the committee should cut off submittals and evaluate the sites based on particular criteria. He suggested first choosing three final sites and then a final one. Ald. Herzog was reluctant to close off any other potential site and also said he would like to know more about whatever strings might be attached to proposals presented tonight. Ald. Donegan said that the first order is whether the site works, although the answer to that does not rule in or out the development proposals for either of the sites in the Village.

Moved by Ald. Krill, seconded by Ald. Sullivan to request that the scoring matrix be updated to include the new additional sites with the goal of evaluating the sites at the next meeting and attempting to narrow the list to three or four sites, at which point the process of focusing and getting ready to choose the final site could begin –

Ald. Meaux suggested reaching some findings that certain sites aren't desirable and in the best interest of the city at this time in order to move forward in a more focused fashion. Ald. Donegan indicated that he would like to hear more from staff as to feasibility and the true viability of this site. Ald. Didier spoke in opposition to the motion, favoring elimination of some sites tonight. Ald. Birschel supported the motion. Ald. Sullivan said that a comparative analysis is needed before sites are eliminated. Ald. Herzog questioned how to decide on the best 3-4 sites without any architectural details or estimates for site preparation or construction. He noted the need to have a site in mind that is cost effective, environmentally effective, and that the Chief supports.

Roll call vote on the motion, Ayes: 5; Noes: 3 (Didier, Meaux, Sullivan)

Mr. Heffernan indicated that he would like to present further information.

Moved by Ald. Herzog, seconded by Ald. Sullivan to hear the rest of the Cobalt Properties presentation. Ayes: 8

Mr. Heffernan noted that the original analysis and proposal for the existing fire station site on Underwood Avenue involved the acquisition of the commercial and residential property to the south, provided a short apron, and did not allow for continuous operation during construction. He said that if one home and another adjacent property, both under Cobalt's control, were acquired, a 32,400 sq. ft. station could be built on a 1.1 acre site with a 70 ft. apron and 56 parking stalls. The adjacent building occupied by a hair salon would remain. This proposal allows for continuous operation, requires no acquisition of land, increases public parking, and has a functional and practical layout. Site acquisition would cost the city \$1, making this the cheapest site thus far.

Chief Redman offered comments on operational issues only at both sites proposed by Cobalt, noting that other issues would need to be addressed by this committee. Staff re-examined the Blanchard parking lot site and saw potential for the station to be functional there. The Cobalt proposal on the existing site is superior to the other options that they have looked at, but they haven't yet done any final numbers on the matrix. If acceptable answers to issues not related to department operations are found, the site over the river would provide the best operational aspect of the three Village sites. The Mower Court site provides the best operational site overall but there are associated difficulties. The Blanchard parking lot, river site, and new concept on Underwood are all viable. The Underwood proposal is an improvement over the original proposal, but the river site probably offers the best operations of the three, having deeper aprons, more total space, and more openness.

Addressing economic impact, Mr. Heffernan reviewed a chart showing a combined total of \$10 million in redevelopment potential for the Blanchard parking lot, a total \$40 million increment for the combination of the Underwood site and development of the Blanchard parking lot site, and a \$50 million increment for the river site. Over the life of the station, the generated tax value would be \$76 million; tax revenue in today's dollars would be \$25 million. Money for the fire station would be derived from their creativity and resourcefulness, he said.

Ms. Welch said that there are too many variables to say this is the final value of either site. This is certainly possible., but the missing piece is the cost of building a fire station over the river.

In response to questions, an owner of property that Cobalt has under their control confirmed that fully executed purchase agreements are in place. Mr. Heffernan confirmed that a comprehensive development agreement would be needed to address all considerations involved with the multiple properties. Ald. Krill commented that eminent domain would also be a possibility for acquiring a site but noted that it appears that the owner, in this case, is eager to sell and a price has apparently been established.

(The meeting recessed at 9:52 p.m. and reconvened at 10:02 p.m.)

Mr. Gene Guskowski of AG Architects said that after presenting his proposal for the Blanchard lot at the previous meeting, he was asked if the project could be developed without taking any adjacent land, although that question is something of a moot point with the disclosure tonight that the adjacent property owner is apparently willing to sell. He has found that that could be done with some adjustment to the position of the apparatus bay that still allows for aprons that are probably larger than those on other plans. It opens much more of the building for light and is a relatively small compromise that allows the entire station and structure to be built on the city-owned site alone and still meet the consultant's guidelines.

Mr. Guskowski noted that his proposal is just part of a vision they had a few years back for developing this parcel. The ultimate decision, he believes, will be a question of cost and what is the most efficient thing to do—whether there is economy in building into the hillside, finding ways to share costs between the fire station and a public parking structure, and meeting future growth needs of the Village. The committee has seen some proposals for large scale developments that depend on things like being able to rent spaces. Looking at it realistically, perhaps something like this could be done on a piece-by-piece basis. Mr. Guskowski said that he has a bigger vision and other thoughts about the sites.

Development of the Public Works Site South of Walnut Road

In considering the debate needed regarding development of the public works site south of Walnut Road, Ms. Welch reported that she consulted the city's existing, but outdated, comprehensive plan to see what was proposed for this site in the mid 1970s. She found that it referred to a proposed future use that would compliment the growing office facilities and services along Mayfair Road, which is not a good planning vision for this site right now. We are left, then, with the results of the RFP that was issued four years ago when the development community was essentially asked to tell the city what is feasible and came forward with seven residential proposals and one for a sports/recreation complex. A previous RFP for industrial use failed, but we now have a new proposal for an industrial-type use. The question comes down to what the city truly needs from this site—for example, jobs, tax base, residential units? Debate should include comparison of the value of residential use versus industrial-type use, impact on the tax base, and traffic impacts on the neighborhood.

Regarding traffic impact, Ms. Welch said that there has always been a contention that 116th Street would be overloaded if residential units were developed. The City Engineer reports, however, that 116th Street is identified as a collector street and can handle between 13,000 and 20,000 vehicles per day. The current traffic level is 2,900 cars per day at Watertown Plank Road and 3,300 at North Avenue, well under the design capacity of the street. The addition of even 400 residential units would not put 116th Street over capacity.

Richard Bachman, 2229 N. 115th Street, reported on meetings he and another former alderman had, as representatives of this area, with former city planner Gordon Rozmus and with area residents. Mr. Rozmus found the best use for this site to be light manufacturing with a gate at Walnut so that no traffic could access 116th Street at that point. City vehicles would have pass-card access. Mr. Bachman reported that there are constantly many for-rent signs on 116th Street and on North Avenue. He does not believe that anyone would want to live in any housing developed on this site because of the adjacent public works operations, "Mt. Tosa," and the police rifle range. He went on to report on the heavy volume of traffic on 115th Street that he feels can be traced to drivers trying to avoid the traffic signal at 116th and North and the condominiums at 112th and Gilbert. He said that residents in this area have not received any information from their alderpersons and are very disturbed about some of the proposals. Residents want to get involved but cannot stay for the late meetings that have been held.

Matt Mikolajewski, Executive Director of the Wauwatosa Economic Development Corporation (WEDC), said that the WEDC board has not discussed the use of this site in any formal capacity, but they are meeting next week and would be willing to provide input should the committee so request.

Ald. Sullivan commented that the question of industrial versus residential use is still indistinct despite the fact that the committee now has one proposal of each type under consideration. He feels that Cobalt Partners has some i's to dot and some t's to cross on their industrial-type proposal, and discussion is unproductive until that is done and more is known. Ald. Krill agreed that the Cobalt proposal not only needs more information but has some big questions to answer before that route can be considered. Ald. Didier asked if Cobalt is prepared to present more information tonight. Ald. Birschel said that he strongly supports light industrial use, but a lot of discussion is needed before a

decision can be made one way or another. He felt that the committee should first discuss the Cobalt Memorandum of Understanding that was held from previous meetings.

Moved by Ald. Birschel, seconded by Ald. Krill to place this item on hold. Ayes: 8

Development Proposal by Cobalt Partners for Public Works Site South of Walnut Road

City Attorney Kesner was asked to comment on the nature of discussions regarding the proposed Memorandum of Understanding (MOU) with Cobalt Partners regarding this site. He said that the MOU is a public document, and some of the changes recently made to it can be described in open session. If entered into, the city would be committing to giving Cobalt nine months to finalize their proposal and then to negotiate in good faith to the point of allowing them to purchase the site and proceed with their proposal. Some of the details and negotiating points that haven't yet been worked out cannot be discussed in open session. Mr. Kesner said he has reviewed a recent letter from the State Attorney General's office to the City of Oshkosh regarding open meetings law as it relates to negotiations on the sale of public land. He advised that negotiation strategies and specific negotiation of the terms of a purchase and sale agreement are the matters most appropriate for closed session in this situation. An initial decision on whether to proceed with the MOU doesn't require a closed session, but the committee has the power to go into closed session when it comes to that part that Cobalt Partners feels should be protected as a trade secret.

Helmut Toldt, 4040 N. Calhoun Road, Brookfield, said he would like to know the purpose of the MOU. He mentioned the deadlines given to the residential developers and noted that no MOU or private sessions were needed for those presentations. It seems that the MOU minimizes the efforts of all the other developers if the city is going to enter into an agreement that essentially allows one developer an additional nine months to put something together. He doesn't see any reason for a closed session giving a developer the exclusive right to an option to purchase over the next nine months.

Committee debate ensued. Ald. Krill said that until the committee decides if and how to proceed, it is premature to discuss finalizing the terms of the MOU. Ald. Donegan said he strongly believes that the issue that Cobalt Partners says is a trade secret would need public comment before a vote is taken. Ald. Herzog questioned how negotiations with GE were handled. Mr. Kesner explained that most of that was handled by staff since there was no policy decision on how to use the land. Some arrangements were discussed in closed session, but that was primarily within the committee, not with the developer.

Moved by Ald. Krill, seconded by Ald. Donegan to convene into closed session per Wis. Stat. 19.85(1)(e): 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; with the option of reconvening in open session –

Richard Bachman, 2229 N. 115th Street, commented on the public's negative perception of private meetings and questioned how much information the committee has on which to make a decision.

Scott Yauch of Cobalt Partners said that the committee approved extending the MOU after their closed session on September 26, and he believes they have a full understanding of it. The extension doesn't necessarily commit the city to the Cobalt proposal as much as it sets certain milestones to be achieved during that time. In the revised draft, the increment Cobalt would commit to is in excess of \$50 million, and the three year right of first refusal has been removed. In response to a question, Mr. Yauch confirmed that they have committed to access only at 113th and Watertown Plank Road.

Mr. Kesner outlined some changes in the draft MOU since past discussions. He said that it would obligate the city to negotiate in good faith toward a definitive purchase and sale agreement with specific terms and conditions including a closing date. They would be taking property as is, and there is a section on calculation of purchase price. During the 270 days following execution of the MOU, Cobalt would be required to obtain a letter of interest from the proposed end user, finalize negotiations on third-party approvals, and negotiate a development agreement with the city. The city would agree not to accept any other development agreements that would conflict during that nine-month period. During that time, the city would use confidential information solely for review and would not disclose that information to third parties except as required by law. Cobalt would waive confidentiality at the time of final approvals. The term of the MOU would begin upon execution and continue until the earlier of 60 days or the date of execution of a definitive purchase and sale agreement. Cobalt has asked for recognition that they will need more time to negotiate with the other parties as well as the city. Their proposal was not brought forward in response to an RFP.

Ms. Welch said that the premise for both proposals is that the land would be “as is.” The city has not come up with a price, but the value of the land was estimated as \$3.9 million. All roads would be private, and utilities would be needed. The city would have to verify sewer credits, since Ms. Welch said she does not believe there are sufficient credits to cover the originally proposed 450 residential units. She said that they have discussed the appraised value of the land but Mr. Toldt has not made an offer.

Mr. Toldt said he discussed financing with his lender last week in anticipation of bringing a financing commitment to this meeting, since he thought that industrial vs. residential would be discussed tonight. He could possibly close in 60 days and would need time to prepare plans thereafter.

Ald. Herzog noted that the option period has been removed in the latest draft. The MOU gives 60 more days and then there would be another 270 days or 11 months. Mr. Yauch said the intent was to close within 30 days of having all contingencies. They have a draft of an offer to purchase at this point. One of the contingencies would be city approval of the plan. When that plan is presented, the user of the land would become public.

Ald. Herzog asked what the city’s obligation would be at the point of reviewing the business planned development. Mr. Kesner said that the city can’t be obligated by contract to make a zoning decision at a future time. The process would begin with a Plan Commission hearing. Cobalt’s ability to still tie up the land if they are not given approval of the plan would depend on the wording of the final purchase and sale agreement.

Mr. Yauch said that Cobalt will be in a position to disclose the confidential aspects within a reasonable time of entering the purchase agreement. They will be here several months in advance of their deadline and would be in a position shortly after signing the purchase agreement—maybe within 60 days thereafter—to disclose the confidential aspects.

Mr. Toldt asked what there is about this proposal that makes it attractive enough to enter into an agreement with one party for nearly a year that is contingent upon a third party accepting this site and its use. Can he infer that there is a preference for an industrial use rather than residential? Mr. Kesner said that, in closed session as part of their negotiations, the committee has received an initial outline of what is being proposed. They have information to help them in the discussion leading toward their decision on residential versus industrial-type use.

Mr. Bachman again objected to the lack of public information. Ald. Herzog reiterated that it would eventually be made public and there would be a public hearing on the potential use.

Ald. Krill called the question.

Vote on the motion to convene into closed session, Ayes: 8

The committee convened into closed session at 11:13 p.m. and reconvened in open session at 11:50 p.m.

Moved by Ald. Herzog, seconded by Ald. Birschel to hold the matter for two weeks while the City Attorney negotiates the Memorandum of Understanding per the committee's direction in closed session. Ayes: 8

The meeting adjourned at 11:54 p.m.

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Carla A. Ledesma, City Clerk
Wauwatosa, Wisconsin