



11333 N. Cedarburg Road
Mequon, WI 53092-1930
Phone: 262/242-3100

www.cityofmequonwi.gov

Office of the City Clerk
Taped and Televised

COMMITTEE OF THE WHOLE
Regular Meeting
Tuesday, December 9, 2025 - 6:30 PM
Christine Nuernberg Hall

Agenda

- 1) Call to Order and Roll Call**
- 2) Approval of Meeting Minutes**
 - a) Meeting minutes of November 11, 2025
- 3) Discussion Items**
 - a) REVPAR Inc. Hotel Development Feasibility Analysis - Phase I Consultation
 - b) Overview of City's New Agenda Management Provider CivicPlus
- 4) Informational Items**
 - a) Committee of the Whole Planning Calendar
- 5) Adjourn**

DATED: December 9, 2025

/s/ Andrew Nerbun, Mayor

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. Persons with disabilities requiring accommodation 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.

Any questions regarding this agenda may be directed to the City Clerk's Office at 262-236-2914, Monday through Friday, 8:00 AM – 4:30 PM.



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COMMITTEE OF THE WHOLE
Tuesday, November 11, 2025
6:30 PM
Christine Nuernberg Hall

Minutes

1. Call to Order, Roll Call

Mayor Nerbun called the meeting to order at 6:30 PM.

Present:

- Mayor Andrew Nerbun
- Alderman Robert Strzelczyk
- Alderman Kelly Tolocko
- Alderman Dale Mayr
- Alderman Jeffrey Hansher
- Alderman Gregg Bach
- Alderman Brian Parrish
- Alderman Peter Bratt
- Alderman William Gebhardt

Also present: City Administrator Jones, Assistant City Administrator Wolff, City Attorney Sajdak, City Clerk Fochs, Director of Public Works/City Engineer Lundeen, Assistant City Engineer McCraw, and interested public

2. Approval of Meeting Minutes

a. October 14, 2025

RESULT: **Approved by Voice Acclamation [9-0]**
MOVED BY: Alderman Strzelczyk
SECONDED BY: Alderman Bach

AYES:	Nerbun, Strzelczyk, Tolocko, Mayr, Hansher, Bach, Parrish, Bratt, Gebhardt
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3. Discussion

- a. Presentation of the Joint Mequon-Thiensville Bike & Pedestrian Way Commission's Prioritization of Projects Contained within the 2025-2045 Mequon-Thiensville Bike & Pedestrian Master Plan

Jim Doornek and Ken Maciolek representing the Joint Mequon-Thiensville Bike & Pedestrian Way Commission presented a background of their group's mission and an overview of the master plan which launched in March 2024. Discussion involved short-term projects prioritizing safety and high traffic corridors in 2025-2027.

- b. Review and Consideration of Design Alternatives for the Reconstruction of Lake Shore Drive (South of Mequon Road) and Mequon Road (East of I-43)

Assistant City Engineer McCraw addressed the Committee requesting an agreed consensus to move forward with the project and introduced Brad Hartjes, Senior Project Manager from raSmith.

Mr. Hartjes provided an overview of the analysis for the 2.25-mile road project and three alternative designs including tree surveys, right-of-way impacts, effects on ditches, and cost estimates. Mr. McCraw indicated the efforts to encourage public engagement with three public meetings and presentations, as well as an online survey for residents.

The Joint Mequon-Thiensville Bike & Pedestrian Way Commission recommends option #2, with 5-foot paved shoulders on both sides of the roadway and to also consider an additional 8-foot side path on the East side of Lake Shore Drive.

The Committee welcomed the public to speak on the subject. Tom Taagen at 902 W. Mequon Road, opposes all updates with suggestions to lower the speed limit and save money for school zones instead. Nicholas at 320 E. Circle Road, Matt Deloge at 103 E. Mequon Road, and Patrick at 1109 W. Lake Shore Drive, spoke in favor of alternative option #2 with revision of a 4-foot shoulder. Ron Heinritz, representing the Thiensville branch of the Bike & Pedestrian Way Commission suggested the creation of a 4th option to include a separate bike path. David at 10020 N. Sheridan Drive spoke with concerns of the effects of additional water runoff from the road widening. Connie Taagen at 902 W. Mequon Road submitted her opposition to the project but chose not to speak.

The Mayor called for a straw poll to eliminate alternative option #1 which passed unanimously by all Committee members. Committee discussion ensued, with topics focusing on the safety of bikers and pedestrians, cost effectiveness, impact to vegetation and trees, and the overall differences of 5-foot vs 4-foot shoulders.

City staff requested a general decision from the Committee to stay on schedule for phase one bidding in early 2026, which resulted in a unanimous straw poll in favor of alternative option #2.

- 4. Informational Items
 - a. Committee of the Whole Planning Calendar

5. Adjourn

Motion to adjourn at 8:39 PM.

RESULT: **Approved by Voice Acclamation [9-0]**
MOVED BY: Alderman Bach
SECONDED BY: Alderman Gebhardt

AYES: Nerbun, Strzelczyk, Tolocko, Mayr, Hansher, Bach, Parrish, Bratt,
 Gebhardt

Respectfully Submitted,

Janet Meyer
Deputy Clerk



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Community Development

TO: Committee of the Whole
FROM: Kim Tollefson, Director Community Development
DATE: December 9, 2025
SUBJECT: REVPAR Inc. Hotel Development Feasibility Analysis - Phase I Consultation

Background

The Hotel Development Feasibility contract with REVPAR, Inc. has multiple phases of work, and the contract requires City authorization to proceed with subsequent phasing to ensure a cost-effective and efficient approach to the market analysis findings. REVPAR, Inc. has completed Phase I (Market Study) of the scope of services.

Phase I includes a market study to establish whether there is sufficient demand to support a hotel in the City, particularly in the Port Washington Road corridor, including identification of the best product, brand and facility services. Phase I included a kick-off project discussion to review project objectives, Phase I work and timing, as well as a site visit by REVPAR. The site visit included a meeting with staff to review local data, corridor conditions, local and regional development activity, and major infrastructure projects. The REVPAR team shared insights regarding the hotel industry and the structure of ratings, average construction costs, typical hotel room numbers and rates, as well as product offerings and service levels. Interestingly, Mequon is within a subset of one of three Milwaukee markets. The REVPAR team spent time in Mequon and the surrounding communities evaluating conditions, as well as conducting interviews with a variety of hotel representatives and demand generators.

Analysis

Representatives from REVPAR Inc. will present the Phase I market conditions and findings. REVPAR evaluated and ranked the notable redevelopment sites from the Port Washington Road Market Analysis, dated November 2024 for hotel development feasibility. An analysis of the competitive supply and performance of the market area was also completed. Please find the attached corresponding REVPAR study memo and data for further details. REVPAR's preliminary conclusion indicates insufficient market demand to support new hotel development in Mequon.

In staff's opinion, the results of the Phase I Market Analysis do not support furthering additional phases of the contractual scope of services, except for the targeted policy analysis of a hotel room tax. While the results of REVPAR's Phase I analysis were not positive related to the

attraction of an upper-scale hotel that could deliver other desired facilities or redevelopment efforts, the information does fulfill other objectives of the scope. The City has a better understanding of sites within the redevelopment corridor that are suitable for a potential hotel in the future, should market conditions change. Further, staff can appropriately finalize proposed new zoning regulations related to hotel and leisure type commercial uses based on these results.

Additional Scope Analysis

The original scope of services includes consideration of hotel room tax. This analysis was slated as one part of many financial elements included in Phase III (Economic Impact Analysis). The total cost of Phase III was estimated at \$10,000. REVPAR, Inc. is prepared to discuss a draft, refined scope for analysis of hotel room tax for the Council’s consideration. A revised contract to address this detailed analysis can be administratively authorized should the Council wish to pursue further consideration of this potential new revenue source.

Fiscal Impact

The contractual cost of Phase I is \$23,500 and paid equally from TID No. 4 and No. 5. A \$17,600 retainer has been paid and the draft, final invoice, is estimated at a remaining cost of approximately \$1,500. The total Phase I cost estimate is therefore \$19,100, a reduction of approximately \$4,400 from the original contract cost.

Recommendation

Planning staff recommends terminating the remaining scope of services outlined in the REVPAR Inc. contract due to insufficient demand for a hotel project, with the exception of a targeted policy analysis of a hotel room tax, pending the Council's concurrence.

Attachments:

REVPAR Phase I COTW 12.09.25 Memo (Proposed Hotel Mequon), REVPAR Deliverable Phase I COTW 12.09.25 (Mequon Market Overview)

Date: November 25, 2025
To: Kim Tolleson, Community Development Director
City of Mequon, WI
From: REVPAR International
Re: Summary of Initial Findings for Hotel Market Feasibility Study – Mequon, WI

In accordance with our proposal, the following memo summarizes our findings, conclusions, and recommendations relative to hotel development in Mequon, Wisconsin. These findings and conclusions are based upon our present knowledge and information with respect to economic and demographic data, room night demand sources, and the status of the competitive hotel market at the completion of our fieldwork and analysis in October and November 2025, respectively.

Project Scope and Objectives

REVPAR International, Inc. was retained as an independent 3rd party consultant to quantify the need for new upper-upscale lodging units in the North Port Washington corridor of Mequon. The study, if positive, would be used as a marketing tool to assist in attracting hotel developers to the city to build a new upper-upscale hotel product. Based on the foregoing, we conducted research and analysis to determine whether a new hotel product at the upper-upscale price point level is needed in the city. Our research and analysis included a site visit and primary market research in October and November 2025, as well as research and analysis of statistical data regarding the historical and future growth in supply and demand of hotels in the market.

Initial Findings

The bullet points below summarize our initial findings and provide background on the attached presentation that we prepared for the Mequon City Council. The presentation is scheduled for December 9, 2025.

Overview of Sites and Site Matrix

- We were provided 12 sites to evaluate for hotel development. Of the 12 potential (re)development sites identified in the “Real Estate Market Analysis Port Washington Corridor” prepared by *Redevelopment Resources* and dated November 2024, we identified five that were deemed to be most suitable for hotel development, primarily driven by size/acreage. A map of these sites is presented on Slide 3 of the presentation.
- On Slide 4, we prepared a site matrix that ranks each site against the other relative to 10 primary factors associated with successful hotel development, where success is defined as achieving above-average top-line performance (occupancy, ADR, RevPAR) relative to a defined competitive set. Essentially, the matrix establishes the best site(s) by identifying the specific factors (inclusive of pertinent market factors, coupled with any unique criteria), assigning a weight to each factor based on parameter importance, ranking each site against the other, and aggregating the scores (with the highest score establishing the best site).
- Based on the criteria and ranking, our review indicates that Sites 4 (10850 N. Port Washington Road) and 5 (11512-11520 N. Port Washington Road) would be the preferred sites for new upper-upscale hotel development due to their proximity to major thoroughfares, including Mequon Road, which provides access to the western part of the city and to Interstate 43 (I-43); proximity to various commercial and leisure demand generators; and supporting amenities such as upscale restaurants and retail.

Competitive Supply and Historical Performance

- Based on our research and interviews in the market area, we identified 11 hotels representing 1,082 rooms that would represent varying levels of competition to a new hotel in Mequon based on location,

facilities, room rate structure, market orientation, and/or national chain affiliation. These hotels include full-service, select-service, and extended-stay hotels located in three Milwaukee North Shore hotel submarkets on the I-43 corridor, including Glendale and Brown Deer to the south of Mequon and Grafton to the north. A summary of the competitive supply table is presented on Slide 5

- Several other lodging facilities in the city of Mequon area were considered, but ultimately not included, due primarily to their market orientation, room count, and price point. These hotels included the *Baymont by Wyndham Mequon*, *Chalet Motel*, and *Sybaris Pool Suites*.
- The competitive hotels primarily accommodate commercial and leisure-related demand, including transient, group, and some extended-stay demand. Commercial demand in Mequon is primarily generated by local corporations and employers including those located in the *Rockwell Industrial Park*, *Concordia University*, and *Ascension Columbia Hospital* and leisure demand generated by local residential development, youth sporting events such as soccer tournaments, special events in Cedarburg, weddings at local country clubs and event venues, and events at *Concordia University*.
- The competitive hotels also accommodate a small amount of group and extended-stay demand. The group demand is primarily accommodated by the *Holiday Inn Milwaukee Riverfront* which has the largest amount of meeting space in the competitive market at roughly 5,800 square feet. The three extended-stay hotels, the *Residence Inn Glendale*, *Candlewood Suites Brown Deer*, and *TownePlace Suites Grafton*, accommodate the majority of the extended-stay demand in the market which is primarily comprised of project work at local companies, residential relocation, and insurance demand.
- Slides 6 to 10 present a summary of the historical top line performance of the defined competitive set, including each of the three submarkets. Between 2022 and projected year-end 2025, no new supply opened in the competitive set. During this same period, occupied room night demand declined 3.8 percent compounded annually, resulting in annual occupancies falling from 56.4 percent to 50.2 percent. During the same period, the Average Daily Rate (ADR) of the competitive set decreased 0.6 percent compounded annually. Revenue Per Available Room (RevPAR), a statistic that measures the performance of all available rooms in the competitive set, decreased by 4.4 percent compounded annually over the analysis period, driven by declines in both occupancy and ADR. Our interviews with hotel managers of these hotels indicated that demand in the market is significantly lower than it was prior to the COVID-19 pandemic and has continued to weaken over the last several years. This trend is due to new hotel supply in downtown Milwaukee, resulting in less compression during peak periods. Furthermore, new supply in Sheboygan has impacted the Grafton hotels that accommodate demand emanating from employers to the north. Finally, hotel demand from local corporations has declined for various reasons, including transient and group training demand.
- Slides 11 to 13 compare occupancy, ADR, and RevPAR for the defined competitive North Shore Milwaukee competitive submarket, downtown Milwaukee, and the nation from 2022 to 2024. As the graph demonstrates, the North Shore Milwaukee competitive submarkets significantly underperform downtown Milwaukee and national industry averages in terms of occupancy, ADR, and RevPAR. Furthermore, as the other markets have recovered over the last several years from the COVID-19 pandemic, which impacted commercial, group, and leisure travel nationally, the North Shore market has not and in fact continues to decline.

Preliminary Conclusion

Based on our research and analysis, at these occupancy and ADR levels, we are of the opinion that there is insufficient market demand to support new hotel development in Mequon at this time, even before considering pricing levels. Furthermore, these demand and pricing metrics continue to decline into 2025. This has resulted in downward pressure on ADR and RevPAR, contrary to trends in downtown Milwaukee and nationally. As a result, efforts to pursue a hotel developer will likely prove elusive without significant

financial subsidies being offered by the city. We suggest that you wait a few years and re-evaluate the market once underlying fundamentals turn positive.

Please note that the estimates provided in this letter are considered preliminary in nature, and subject to change based on additional or new information. This letter has been prepared primarily to provide you with an opinion as to the feasibility of a new hotel in Mequon. Please let us know if you have any questions. We look forward to presenting our findings on December 9, 2025.

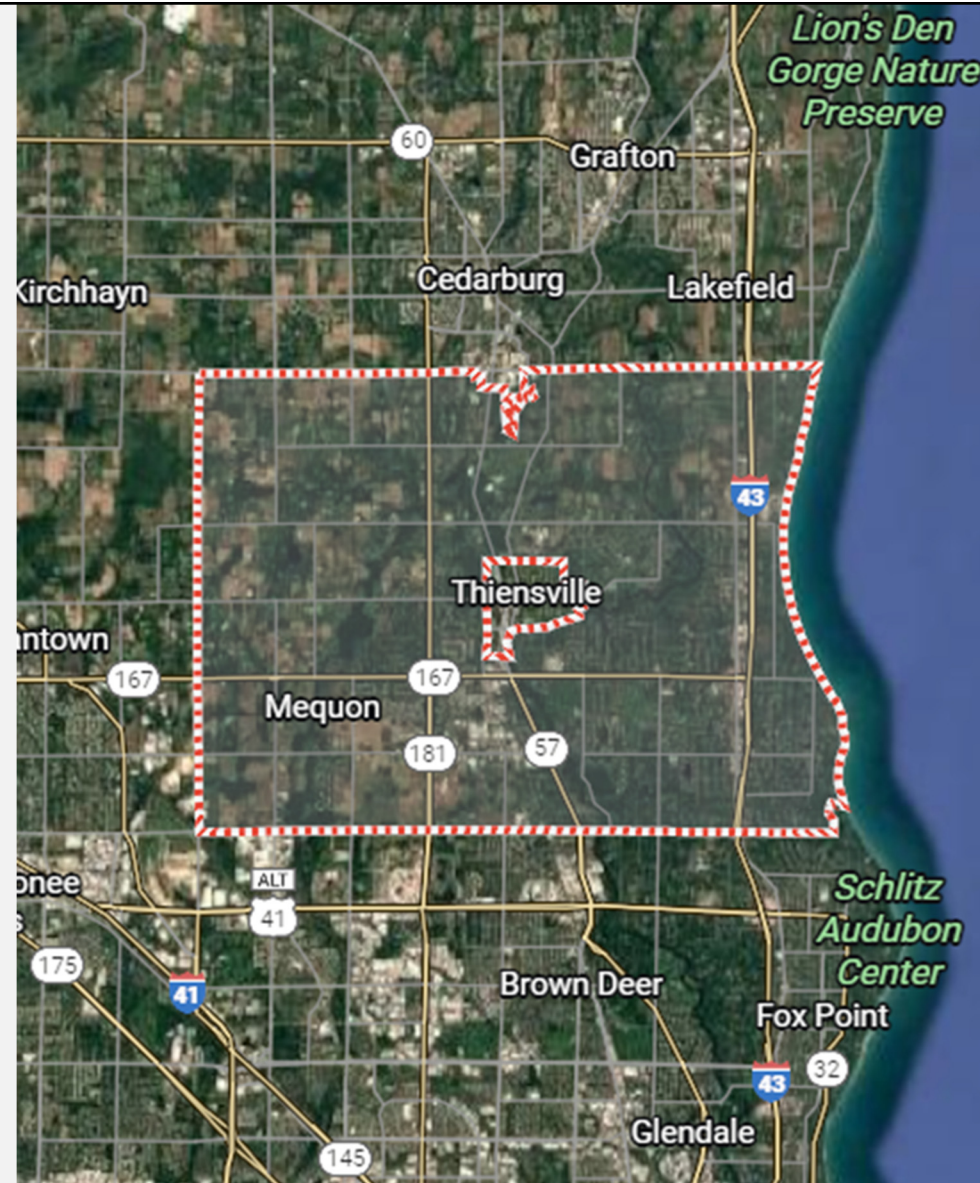
This memo is primarily for your internal use and should not be distributed publicly as it shows only limited information and data relative to the methodology and analysis undertaken and may prove insufficient in explanation to a public audience.

INITIAL FINDINGS HOTEL MARKET FEASIBILITY STUDY

PORT WASHINGTON ROAD CORRIDOR
MEQUON, WI

NOVEMBER 2025

PREPARED FOR:





AGENDA

Site Analysis

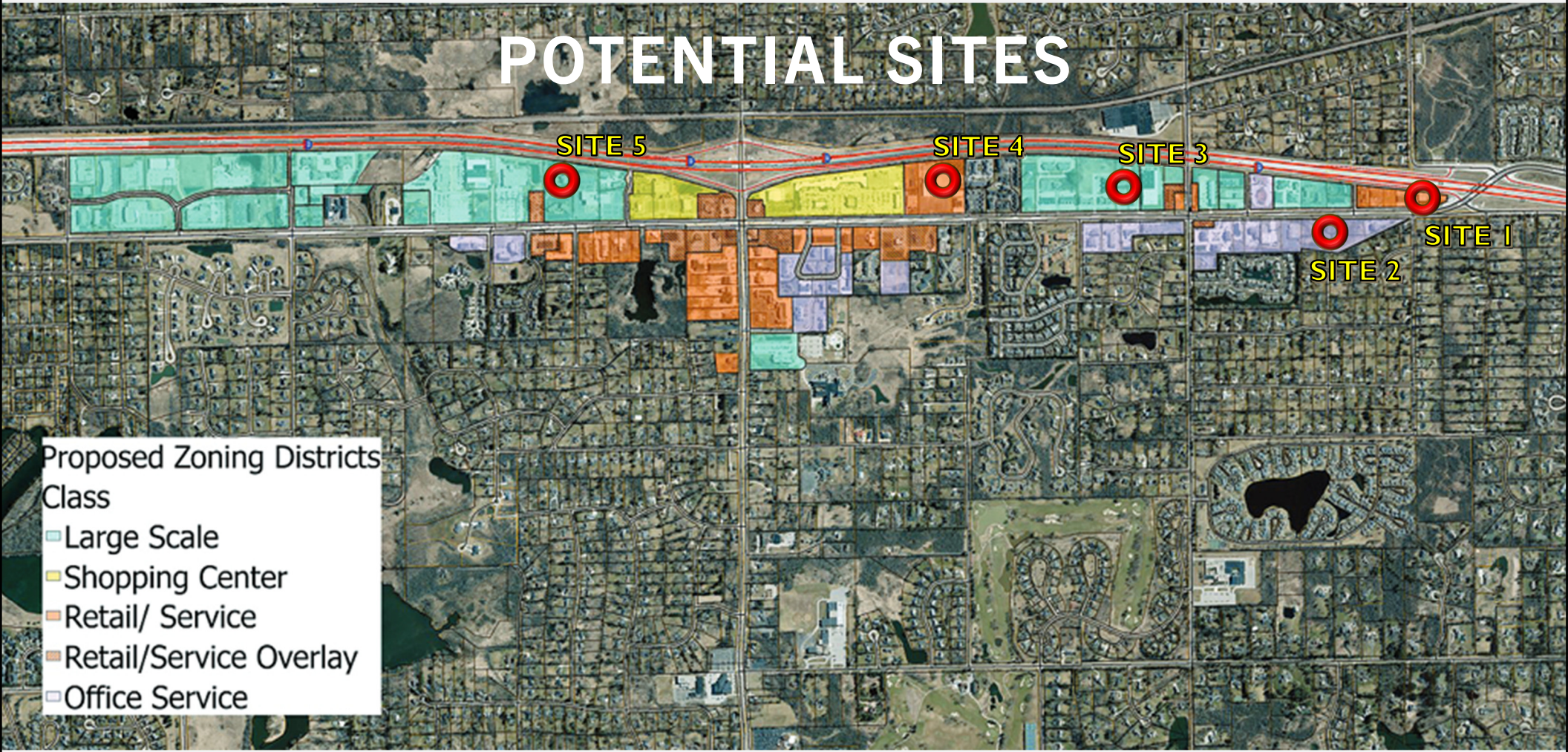
Competitive Supply

Market Performance

Market Concerns

Next Steps

POTENTIAL SITES



- Proposed Zoning Districts
Class
- Large Scale
 - Shopping Center
 - Retail/ Service
 - Retail/Service Overlay
 - Office Service

SITE MATRIX



Parameter	Importance	Site 1		Site 2		Site 3		Site 4		Site 5	
		9900-10050 N. Port Washington Rd.		10123 N. Port Washington Rd.		10500-10520 N. Port Washington Rd.		10850 N. Port Washington Rd.		11512 - 11520 N. Port Washington Rd.	
		Site Rank	Score	Site Rank	Score	Site Rank	Score	Site Rank	Score	Site Rank	Score
Ease of Overall Development (adequate parcel size, sufficient utilities, etc.)	3	3	9	3	5	3	9	3	9	3	9
Proximity to Food and Beverage Outlets	3	1	3	2	6	3	9	5	15	4	12
Proximity to Retail Amenities	3	2	6	1	3	3	9	5	15	4	12
Proximity to Corporate Demand Sources	3	1	3	2	6	3	9	4	12	5	15
Proximity to Leisure Demand Generators	3	1	3	2	6	3	9	4	12	5	15
Surrounding Ambiance/Site Aesthetics	2	1	2	2	4	3	6	4.5	9	4.5	9
Current Utilization of the site	2	1	2	5	10	3	6	3	6	3	6
Overall Visibility	2	3.5	7	1	2	3.5	7	3.5	7	3.5	7
Current Zoning allows Hotel Use	2	4	9	1	2	4	9	4	9	1	2
Ease of Access to/from I-43	1	5	5	2.5	2.5	2.5	3	2.5	3	2.5	2.5
Total			49		51		75		96		90

Importance Ranking: 3 - Most Important; 2 - Important; and 1 – Less Important; Score Ranking: 5 - Best -- 1 – Worst; a score of 2.5, etc., indicates 2 sites are considered equal.

The highest score establishes the best site.



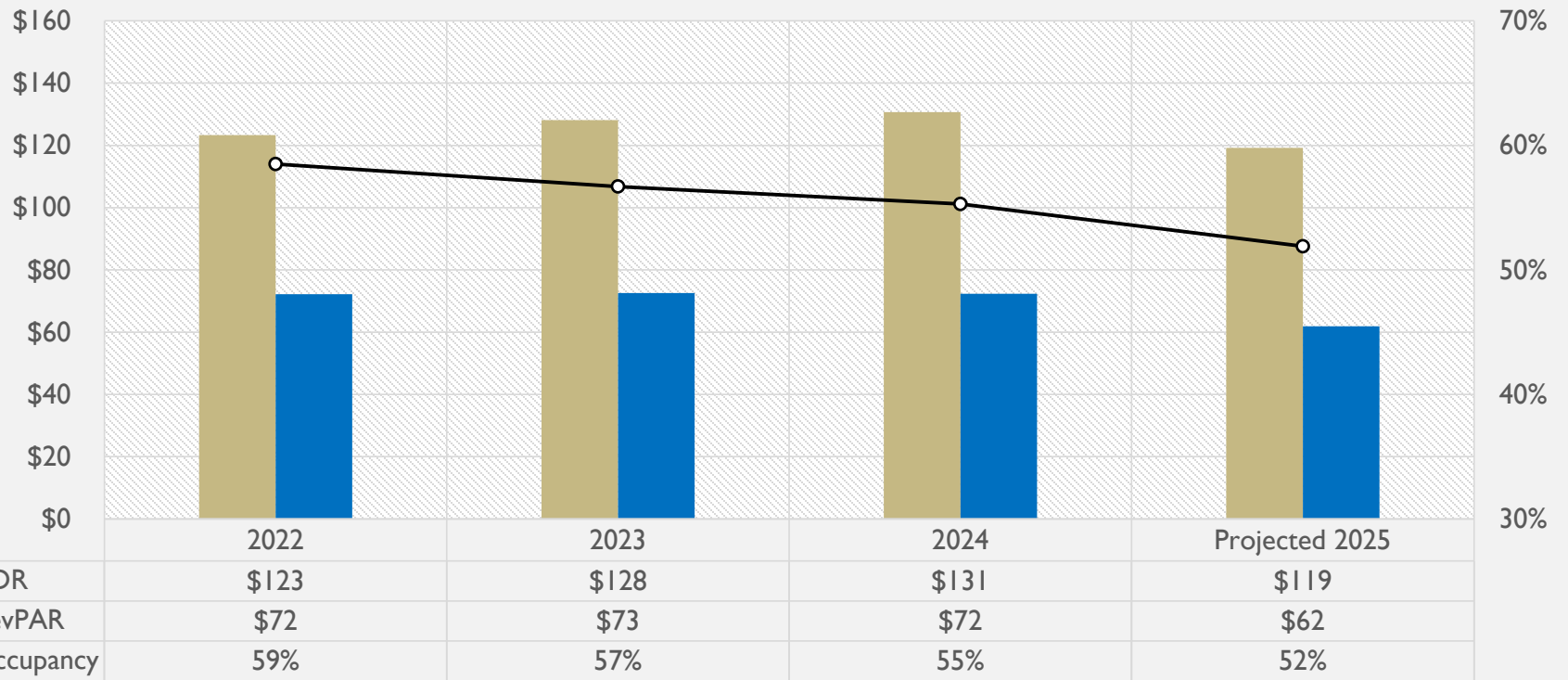
OVERVIEW OF PROXIMATE MILWAUKEE NORTH SHORE HOTEL SUBMARKETS

Competitive Supply		
Competitive Hotels	Room Count	Opening Year
Glendale Hotels		
Residence Inn Milwaukee N/Glendale	83	2017
Hampton Inn Glendale	93	2021
Fairfield Inn & Suites Glendale	84	2019
Holiday Inn Milwaukee Riverfront	160	1974
Subtotal	420	--
Brown Deer Hotels		
Courtyard by Marriott Brown Deer	122	2001
Four Points Brown Deer	150	1998
Holiday Inn Express Brown Deer	78	1990
Candlewood Suites Brown Deer	75	2008
Subtotal	425	--
Grafton Hotels		
Hampton Inn & Suites Grafton	83	2009
Comfort Inn & Suites Grafton	67	2000
TownePlace Suites Grafton	87	2018
Subtotal	237	--
Total Market	1,082	--

Source: Costar; compiled by REVPAR International, Inc.

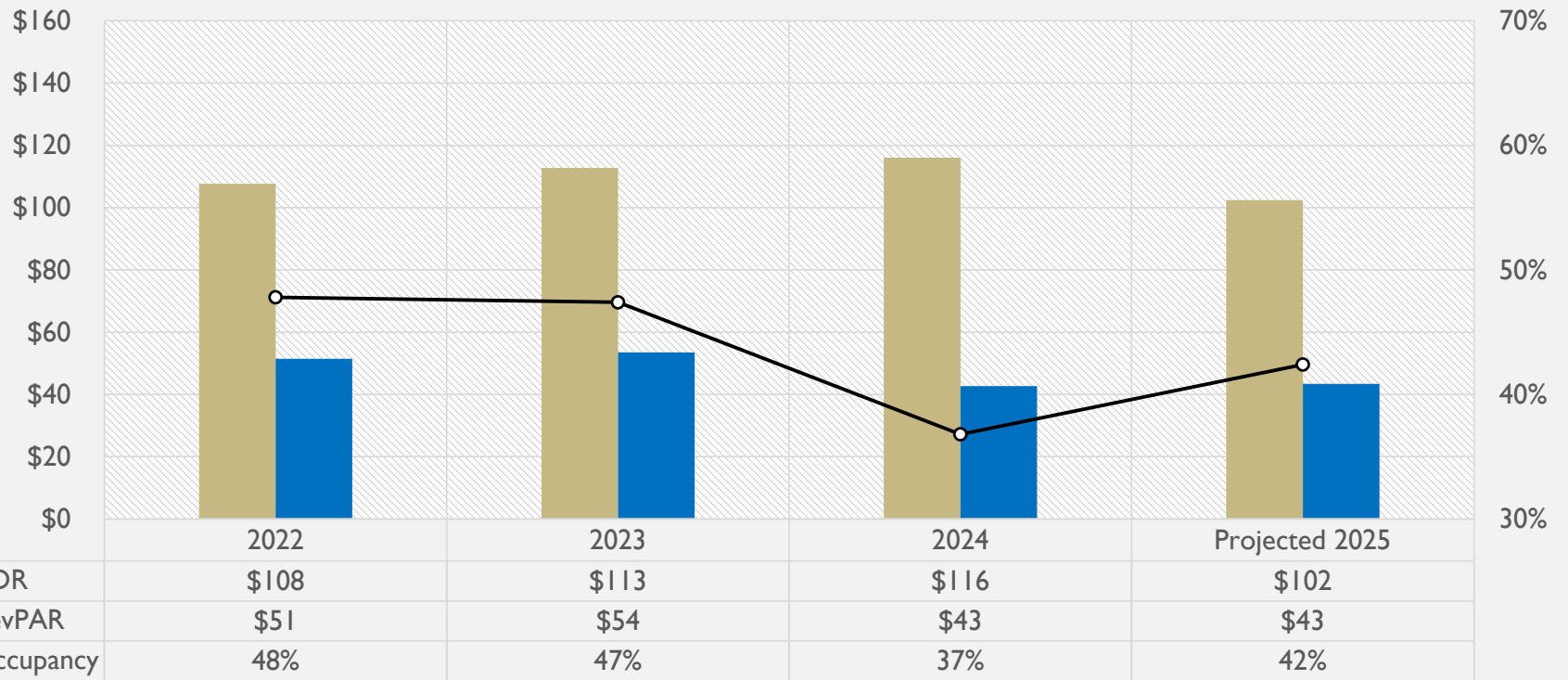


GLENDALE COMPETITIVE HOTELS ANNUAL HOTEL PERFORMANCE



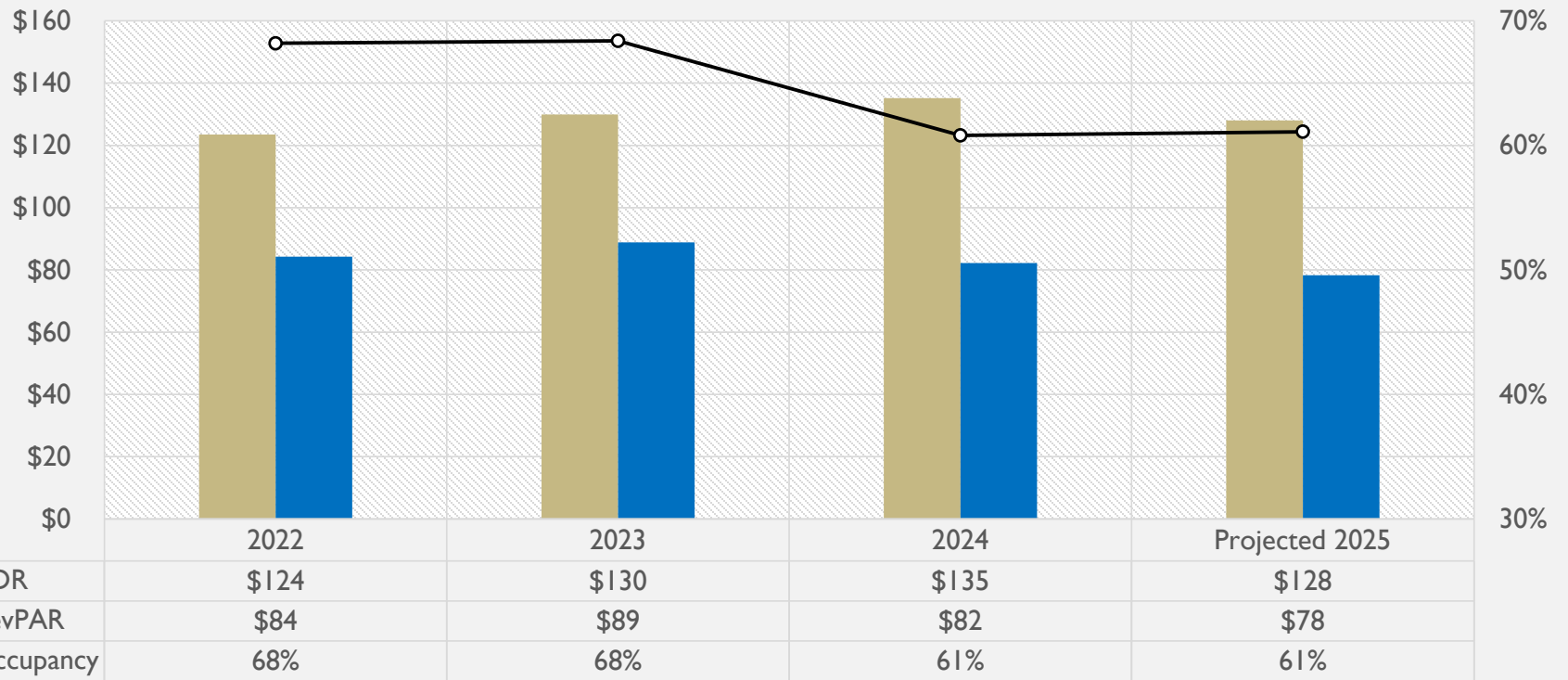


BROWN DEER COMPETITIVE HOTELS ANNUAL HOTEL PERFORMANCE



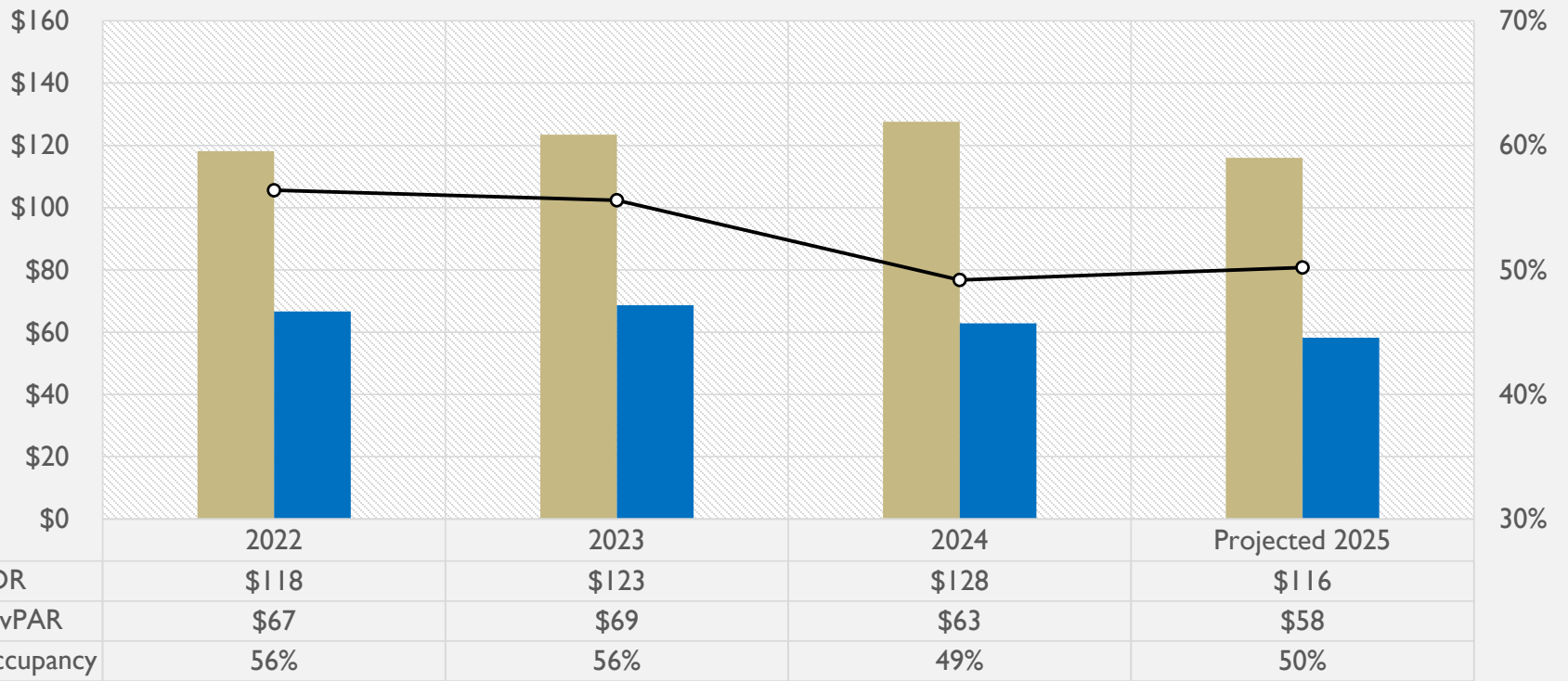


GRAFTON COMPETITIVE HOTELS ANNUAL HOTEL PERFORMANCE





TOTAL COMPETITIVE HOTELS ANNUAL HOTEL PERFORMANCE





TOTAL COMPETITIVE HOTELS ANNUAL HOTEL PERFORMANCE

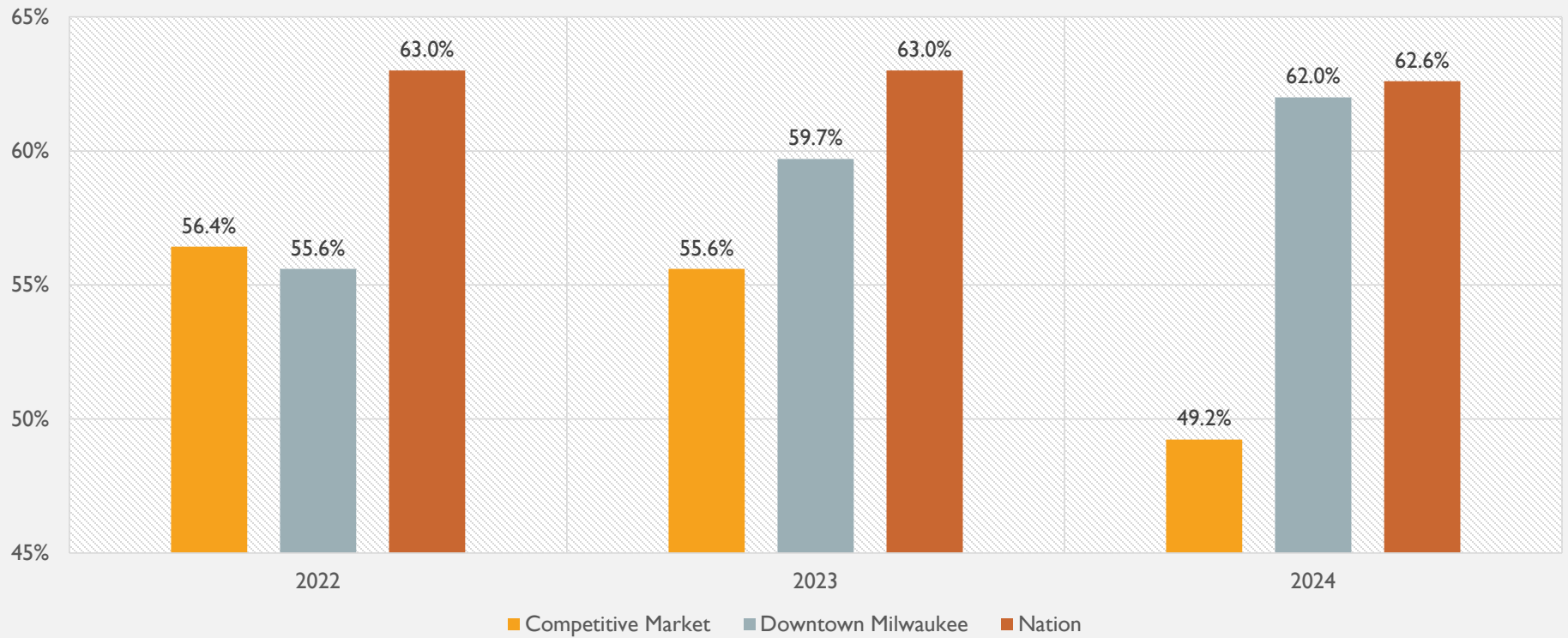
Year	Daily # of Rooms	Available Room Nights		Occupied Room Nights			OCC%	ADR		RevPAR	
		# of Rooms	% Change	# of Rooms	Change	% Change		\$ Amount	% Change	\$ Amount	% Change
2022	1,082	394,930	--	222,848	0	--	56.4%	\$118.17	--	\$66.68	--
2023	1,082	394,930	0.0%	219,580	(3,268)	(1.5%)	55.6%	\$123.48	4.5%	\$68.65	3.0%
2024	1,082	394,930	0.0%	194,457	(25,123)	(11.4%)	49.2%	\$127.64	3.4%	\$62.85	(8.5%)
Projected 2025	1,082	394,930	0.0%	198,221	3,764	1.9%	50.2%	\$116.01	(9.1%)	\$58.23	(7.4%)
CAG⁽¹⁾		0.0%		(3.8%)				(0.6%)		(4.4%)	

Note: ⁽¹⁾ Compound Annual Growth Rate.



OCCUPANCY DIFFERENTIAL

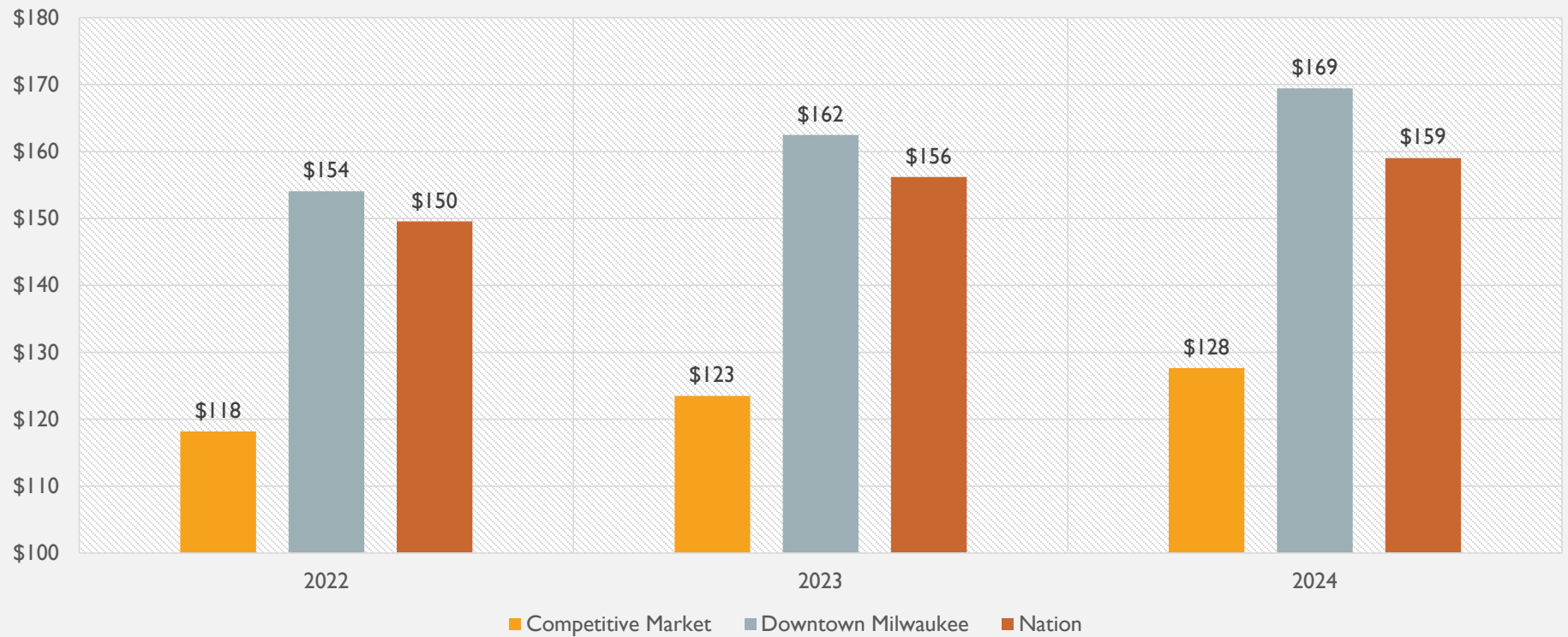
COMPETITIVE MARKET / DOWNTOWN MILWAUKEE / NATION





ADR DIFFERENTIAL

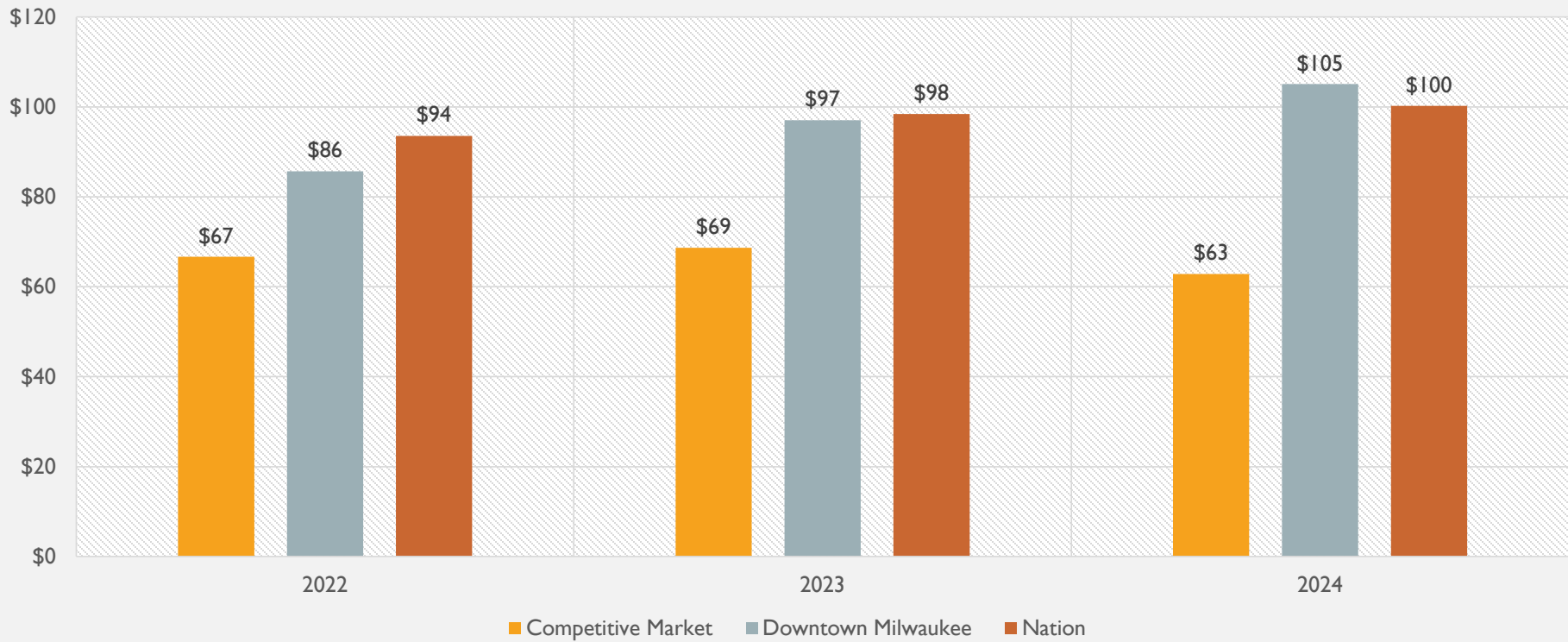
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REVPAR DIFFERENTIAL

COMPETITIVE MARKET / DOWNTOWN MILWAUKEE / NATION



MARKET CONCERNS



OVERALL MARKET DEMAND AND OCCUPANCY HAS BEEN NOT RECOVERED TO PRE-COVID LEVELS.



LIMITED NUMBER OF DEMAND DRIVERS ALONG THE PORT WASHINGTON ROAD CORRIDOR



AVERAGE ROOM RATES IN MARKET OFFER LIMITED SUPPORT FOR NEW HOTEL DEVELOPMENT.

NEXT STEPS



COMMITTEE OF THE WHOLE PLANNING CALENDAR - 2026

ITEM	PRINCIPAL	TIME
January 13		
Civic Campus Master Plan	Tollefson	60
February 10		
Traffic Calming/Speed Deterrence	Lundeen/Riley	75
Brush Site Improvements	Lundeen	15
March 10		
Port Washington Road Rezoning	Zader	45
FEMA Floodplain Map Amendment	Zader	30
April 14		
Emerald Ash Borer Policy	Lundeen	30
Specimen Tree Ordinance	Lundeen	30
May 12		
Legal Compliance Update	Sajdak	60
June 9		
Personnel Handbook Update	Wolff	75
ITEM	PRINCIPAL	TIME
July 14		

COMMITTEE OF THE WHOLE PLANNING CALENDAR - 2026

August 11		
September 8		
October 13		
November 10		
December 8		
Future/Other Policy Items for Discussion/Consideration/Analysis		
JCC Redevelopment Consultation; Fleet Study Update; SW Industrial; Opitz Cemetery; Facilities Study Update; ADA Compliance		