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ECONOMIC DEVELOPMENT BOARD
Tuesday, February 25, 2025
8:00 AM
North Conference Room

Minutes

1) Call to Order, Roll Call

Present:

Chair Timothy Carr - **Remote**
Chair William Gebhardt
Alt. Board Member Colin Boyd
Alt. Board Member Dennis Engel
Board Member Michael Kramer - **Acting Chairman**
Board Member Inge Plautz
Board Member Daniel Gannon -- **Absent**
Board Member Tracy Johnson -- **Absent**
Board Member Jeff McLean -- **Absent**
Alternate Alderman Jeffrey Hansher -- **Excused**

Acting Chairman Mike Kramer called the meeting to order at 8:00 a.m.

2) Approval of Meeting Minutes from January 28, 2025

Action

Board Member Engle made a motion to approve January 28, 2025, meeting minutes.

Ald. Gebhardt seconded the motion.

A voice vote was taken; vote passed (5-0)

RESULT: **Approved [Unanimous]**

MOVED BY: Board Member Engel

SECONDED BY: Alderman Gebhardt

AYES: Gebhardt, Boyd, Engel, Kramer, Plautz

ABSENT: Gannon, Johnson, McLean

3) Emergency Load Fund Update

Community Development Director Kim Tollefson stated that the Board has asked for an update on these loans. She reminded the Board that this Emergency Load Fund was an expedited process during Covid to help small businesses in the city stay open and operating. She summarized that most of the businesses will be ready to close out their loan in 2025 which means that there will be a bigger cash balance back into the Revolving Loan Fund and flexibility to use the program to help finance projects at the Board's will.

She explained that the Fund is administered by Ozaukee County and is used to fill the gap businesses that cannot get conventional financing. The Revolving Loan Fund is based on job creation, creating new full time jobs in the city.

In summary, the fund is healthy as there are no delinquencies and there is a significant balance for future projects.

4) Southwest Sewer Service Analysis

Director Tollefson stated that at last month's meeting, staff reported that the consultant completion of task #4. Task #5 is for the consultant to identify funding mechanisms for the city, should an alternate option other than developer build and contribute for the expansion of infrastructure be chosen.

She reminded the Board that historically, unless the city is doing a large policy project, if a development proposal comes forward on a particular property the developer is responsible for extending the public water main and sewer main to get to their site. The developer would work with engineering to size the infrastructure in a way that not only serves their development but also serve any development that could happen adjacent to them. The developer pays for the design and construction and then dedicates the public mains over to the city and then the city maintains the infrastructure.

She discussed other ways that the infrastructure has been constructed in the past throughout the city. She showed the map included in the Board packet that outlines the intended area for industrial zoning as well as the residential area to the north. The consultant evaluated this proposed industrial area for sewer expansion by itself as well as the area incorporating the residential growth area.

The results from the sewer service analysis and the cost associated with it were broken down by various scenarios, and the total is approximately \$10.6M which includes the city doing everything including a lift station (approx. \$750,000).

Last month the Board asked staff to look at some preliminary cost benefit analysis. Staff ran three different scenarios, using numbers based on five scattered sites located in the city that are zoned industrial and have access to public sewer and water. Staff evaluated the value of the land and the improvements on each property based on acreage, their assessment and the tax base they deliver. Staff did the same evaluation with five scattered industrial sites in Germantown and the same in Menomonee Falls to determine an average and a range.

Staff then broke it down by acreage and an estimated value of potential projects. They identified the average value, the average tax base and should the entire \$10.6M be spent, what the rate of return on investment would be.

Scenarios analyzed include the following:

1. Full industrial service, but not residential service - 3.5 years return on investment.
2. Industrial service + residential service - 8 years payback period.
3. Partial industrial service - just under 3 years pay back period.

These summaries are based on many assumptions.

Mayor Nerbun commented that it would be helpful to be able to review phrasing of the areas.

Dir. Tollefson discussed a few different approaches that can be taken. The pros and cons of these approaches are included in the Board packet.

She commented that the Board's goal is to reach a position to be able to recommend the best approach in time for the Common Council workshop this spring.

She concluded by offering that the next steps would include staff reaching out to the property owners in the targeted area to gauge their future plans and to contact M7 and Ozaukee County Economic Development to assess the interest of the private market. She also suggested that another option is to only serve the area with public water and not public sewer service. She commented that it is a constant balance between how aggressive to be, how the market will respond and how "in play" the targeted properties will be.

There was discussion among the Board about the pros and cons of the various scenarios.

The Board recommended a phased approach to include water and sewer without including a lift station pending additional conversations with property owners as well as our economic partners to better understand the market demand and interest, but also not to do anything that limits expansion to the residential area.

This recommendation will be brought back at the March meeting and a formal motion should be made at that time.

5) Southwest Industrial Water Agreement

Director Tollefson explained that the city needs to negotiate a new water contract with the City of Milwaukee to get another connection point on County Line and Granville Roads.

City Attorney, Brian Sajdak, stated that there are two main issues:

1. There are currently only two connections, the city will need to re-add a third connection.

2. Provision in the contract regarding limits on non-residential properties.

He does not believe there will be any conflicts renegotiating the contract and stated that the biggest hurdle will be the time it will take to get through the process; probably 2-4 months.

6) Port Washington Road TID Reports

Director Tollefson stated that there are several actionable items that are being addressed related to Port Washington Road and at last month's meeting the Board asked for an update on the status of both of the TIDs there. Staff is working to get the streetscaping project completed this year. The expenses out of both of the TIDs were split and were also used for the market analysis and the streetscaping project.

There are developer incentives in TIF #5, but not in #4. In the packet she explained that she highlighted the prospective financial health and outcomes of the two TIDs.

She discussed the ongoing projects located in these TIDs and what the Board would like the plan to be going forward. There was some discussion among the Board about the options for continuing to move forward and the consensus is to wait until the Council workshop takes place and the Council can provide feedback on their support for further action. Dir. Tollefson stated that staff will prepare documentation for the Council workshop to talk to them about their level of interest in keeping the TIDs open or if they want to offer additional incentives and approaches.

Staff asked if the Board directs the staff to meet with property owners of the identified redevelopment sites; the Board postponed that outreach.

7) Port Washington Road Market Analysis

Assistant Director Jac Zader stated that back in 2023 there were conversations regarding zoning districts and there was some consensus at the time regarding providing common language categories. He gave examples of different language for the same use used in different zoning districts. He included in the packet a list of all the categories of uses as a first step to vet out all the uses and the language that should be used uniformly.

He stated that it was recommended by the market survey to have one zoning district, but staff do not support this recommendation. The Board needs to decide whether they want to have one zoning district for this corridor. He showed the map included in the packet of the proposed modified zoning areas from staff based on land use patterns.

Asst. Dir. Zader talked through some more of the market analysis recommendations, staff recommendations and some of the targeted redevelopment sites located in the corridor (detailed in the packet staff report). He commented that staff need feedback from the Board before moving forward. There was some discussion about these issues and targeted sites among the Board.

Feedback from the Board included these preferences:

- Consistent lot size of 1.5 acres.
- 30,000 sq. ft. permitted building size.
- Separate zoning for the east and west sides of Port Washington Road.
- 3-stories allowed on the east side of Port Washington Road only.
- Open Space - less space can be allowed on the east side.

Overall, there was support for staff recommendations for zoning modifications for this corridor.

There was feedback to be cautious about an overlay on “grandfathered non-conforming” properties.

Staff will continue to work on these modifications.

8) Staff Updates

9) Announcements

The next meeting is Tuesday, March 18, 2025, at 8:00 a.m.

10) Adjourn

Action

Board Member Engle made a motion to adjourn the meeting.

Board member Plautz seconded the motion.

A voice vote was taken; vote passed (5-0)

The meeting adjourned at 9:30 a.m.

Respectfully Submitted,

Kim Tollefson

Director of Community Development