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ECONOMIC DEVELOPMENT BOARD
Tuesday, April 22, 2025
8:00 AM
North Conference Room

Agenda

- 1. Call to Order, Roll Call**
- 2. Approval of Meeting Minutes from March 18, 2025.**
Action requested: review and approve
- 3. New Hotel Development Feasibility RFP**
- 4. Staff Updates**
- 5. Announcements**
The next meeting is Tuesday, May 20, 2025, at 8:00 a.m.
- 6. Adjourn**

Dated: April 17, 2025

/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 262-236-2903, Monday through Friday, 8:00 a.m. – 4:30 p.m.



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ECONOMIC DEVELOPMENT BOARD
Tuesday, March 18, 2025
8:00 AM
North Conference Room

Minutes

- d1) Call to Order, Roll Call

Present:

Chair Timothy Carr
 Alderman William Gebhardt
 Board Member Daniel Gannon
 Board Member Michael Kramer
 Board Member Inge Plautz
 Board Member Jeff McLean – **Absent / Joined the meeting virtually**
 Alt. Board Member Colin Boyd -- **Absent**
 Alt. Board Member Dennis Engel -- **Absent**
 Board Member Tracy Johnson -- **Absent**
 Alternate Alderman Jeffrey Hansher -- **Excused**

Chairman Carr called the meeting to order at 8:05 a.m.

- 2) Approval of Meeting Minutes from February 25, 2025

Action

Board Member Kramer made a motion to approve the February 25, 2025, meeting minutes.
 Board Member Gannon seconded the motion.
A voice vote was taken; vote passe (5-0)

RESULT: **Approved [Unanimous]**
MOVED BY: Board Member Kramer
SECONDED BY: Board Member Gannon

AYES: Carr, Gebhardt, Gannon, Kramer, Plautz
ABSENT: Boyd, Engel, Johnson, McLean

3) Southwest Industrial Sewer Service Analysis

Community Development Director Kim Tollefson stated that her staff memo was a recap of all the progress made on this project. She added that she has an update regarding the water connection cost estimate from the Water Utility. After the last EDB meeting, staff met to discuss this proposed project as the Board had supported the path to partially serve the site and that the city should be ready to partner with prospective development as it happens. She commented that the plus side is that the city is not extending expenditures based on speculation that development would happen. The downside is that it then ends up happening systematically closest to the public utility connection point (Granville Road and County Line Road), Fortunately, this location does line up with the properties that are most likely to be sold by the current property owners.

Dir. Tollefson reminded the Board of the decisions made at the last meeting:

- Decided not to pursue adding a new lift station along Granville.
- Decided not to expand public sewer to the residential area north of the industrial study area site. This area could be rezoned from 5-acres down to 1-acre to allow for residential development not reliant on public systems.
- These decisions help reduce the cost by approximately \$3.5M of the \$10M originally explored.

She mentioned that the consultants explored different funding mechanisms that could be implemented. Staff recommend initiation of a sewer service map amendment to include the portion of the industrial study area to the extent where staff have a reasonable consensus among the property owners. She reminded the Board that once a property is included in the sewer service charges are assessed.

Dir. Tollefson stated that she reached out to a few large industrial developers as well as M7 and Ozaukee County. The feedback is that there may be a slowing in pace/normalization for the industrial market and emphasized that if the city can have a good handle on the intention of the property owners in this area regarding selling their properties that it would help move development along. Both Ozaukee County Economic Development (“OED”) and M7 have communicated that they can assist property owners ready to sell their land and prospective industrial builders.

She explained that there are two options for the water connection:

- If the City Attorney can negotiate a third connection with Milwaukee, the analysis run by the Water Utility is approximately \$393,000 (with a \$75,000 contingency).
- If Milwaukee does not agree to the additional connection, the public water would be run from Swan Road and County Line Road (approx. \$2.5M).

Dir. Tollefson stated that staff reached out to with OWLT for a meeting. They have not made any improvements to their property and staff plans to inquire whether they are interested in developer contributions to improvements to the open space so that it can be utilized for the

proposed industrial park. She explained that it would be beneficial to OWLT to have their property enhanced while the employees and the public could enjoy open space features. The developers would therefore not need to meet all of the open space requirements on their land.

Alderman Bill Gebhardt gave an overview from the Common Council perspective including:

- There will be a Council workshop in the next few months where this proposed development will be discussed and he will support it.
- ARPA funds that have previously been available have been assigned and are no longer available for new projects.
- The Council is hyper-sensitive about costs; costs to run the city globally are increasing.
- A business case needs to be created to properly present the proposed industrial park to the Council.
- He discussed the Janseen property and believes it should be able to be rezoned and developed.
- He supports moving forward with both projects and does not believe one is dependent on the other.

The Board discussed the information presented. The consensus is that the industrial park and the Janseen property should move forward. The Board voiced that the proposed industrial park should support the rezoning for the Janseen property to be rezoned to residential. It was mentioned that the Board should not be too ingrained in the details but to view the city more globally. The Board directed staff to prepare these projects and to have them ready for Council action.

4) Port Washington Road Zoning Changes

Director Tollefson stated that staff will continue to finesse the details and if the Board supports the recommendations, then it should be presented to the Planning Commission (“PC”). Assuming there is consensus from both EDB and PC, staff will then do the work to formulate all the rezoning which will then go to PC for official approval.

She summarized the changes that have been made:

- The east side of Port Washington Road will be treated differently than the west side including:
 - Structures larger than 20,000 sq. ft. would be allowed.
 - 3-story structures allowed.
- Consolidated sites on the east side to larger scale development, ignoring non-conforming uses.
- Took the retail overlay off of the south property, as it is a prospective site for a hotel.
- Consolidated the west side shopping center and retail.
- Showcased potential residential infill sites will most likely dwindle down the number of sites that will ultimately be included and only designated on the land use plan map.
- All changes were matched back to the market analysis to demonstrate consistently

with those recommendations.

The Board consensus is to support staff recommendations and forwarded to the Planning Commission.

Dir. Tollefson stated that a next step is to move forward on a new hotel development feasibility RFP located on Port Washington Road.

5) Staff Updates

Dir. Tollefson talked about the Civic Campus master planning project and that the consultant, The Lakota Group, has completed the focused sessions with all the alderpersons as well as identified community stakeholders; in which 100% of the stakeholders participated. A project website will be launched which will provide opportunities for the general public to weigh in, take surveys and ask questions. The consultant will host an open house in which they will present their gathered baseline analysis of the civic campus along with some of the feedback from the stakeholders focus groups in presenting some visual preferences. The public will be invited to this open house. The public outreach will continue.

Staff discussed various other developments in the city.

6) Announcements

The next meeting will be Tuesday, April 22, 2025, at 8:00 a.m.

7) Adjourn

Action

Board Member Kramer made a motion to adjourn the meeting.

Board Member Plautz seconded the motion.

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

The meeting concluded at 9:25 a.m.

Respectfully Submitted,

*Kim Tollefson
Director of Community Development*



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www.cityofmequonwi.gov

Office of Community Development

TO: Economic Development Board
FROM: Kim Tollefson, Director of Community Development
DATE: April 22, 2025
SUBJECT: New Hotel Development Feasibility RFP

Background

The City of Mequon has completed a Real Estate Market Analysis: Port Washington Road Corridor (final report dated November 2024) which recommends the following targeted goals:

- Commercial developments appropriate for locating Port Washington Road include full-service restaurants, higher-end and/or business-class hotels, family and adult indoor entertainment/recreation venues.
- The market can support at least one new hotel, with 60-100 rooms. With the medical cluster, senior living communities, plus business travel, the area could support a 4+ star hotel in this corridor.
- The corridor may benefit from the addition of venues that cater to more weekend entertainment.
- Redevelopment of thirteen (13) prioritized redevelopment sites.

Based on the analysis, which includes several other recommendations, staff has developed a work program for the Economic Development Board. In 2025, the Board developed zoning recommendations and forwarded such to the Planning Commission, which will be presented at their meeting on April 21, 2025. An additional work program item is the completion of a new hotel development feasibility analysis.

Hotel Feasibility

Staff drafted an RFP for a new hotel development feasibility analysis for the Port Washington Road commercial corridor from County Line Road to Glen Oaks Lane (see attached) for review and approval by the Board. The RFP acknowledges the analysis and work of the prior market analysis which includes extensive reporting on the city's demographics, employment industry, housing, commercial competitive analysis including development trends, traffic, resident and visitor profiles and trade area, market value and outlook.

Solicitation:

The RFP will be advertised on the following websites:

- City of Mequon
- League of Wisconsin Municipalities
- Wisconsin Planning Association

Requests will also be direct mailed to a solicitation list staff received from our former real estate consultant.

Funding Sources:

There is cash available in both TIF Districts #4 and #5 to cover the cost of the RFP. The Department of Community Development also has approximately \$10,000 in available funds in the 2025 budget that can be allocated to the cost of the RFP if preferred.

Timeline:

The draft, initial timeline for the RFP process is as follows:

- Issuance: May 15th
- Submission Deadline: June 12th
- Candidate Interviews: TBD
- EDB special meeting for recommendation: June 24th
- Finance & Personnel / Common Council Action: July 8th
- Project Kick-Off: July 21st

Staff Summary:

Staff requests the EDB review, edit and recommend the RFP. The Board’s recommendation will be forwarded to the Finance & Personnel Committee for review and consideration at their meeting of May 13, 2025.

END OF MEMO

Attachments:

RFPDraft04.02.25 (DOCX)

CITY OF MEQUON, WISCONSIN
COMPREHENSIVE HOTEL MARKET FEASIBILITY STUDY
REQUEST FOR QUALIFICATIONS



DRAFT



Issued:
Submittal Deadline:
City Representative:

May 15, 2025
June 20, 2025 | 1:00 pm
Kim Tollefson, Director of Development

Attachment: RFPDraft04.02.25 (10278 : New Hotel Development Feasibility RFP)

PURPOSE

The City of Mequon is soliciting proposals (RFPs) from firms who are interested and qualified to determine the feasibility of attracting a new hotel to the I-43 | Port Washington Road commercial corridor. The RFP is issued on _____, 2025, and posted to the City website at _____. For copies of and questions related to the RFP, you may contact Kim Tollefson at 262.236.2903 or ktollefson@cityofmequonwi.gov

All proposals must be received by the City of Mequon – Department of Community Development Planning Division on or before _____ 1:00 p.m. CST. Proposals may be received by mail or hand delivered to the department. Proposals will be date and time stamped upon receipt.

The City of Mequon reserves the right to reject any or all submission, to waive any informalities in bidding and to accept the response deemed most advantageous to the City.

PROJECT BACKGROUND

The Port Washington Road commercial corridor is a thriving district with most of the properties contributing positively to the local economic base. There is an active retail center, thriving medical cluster and an abundance of financial institutions. The corridor runs parallel to Interstate – 43 and intersects with State Hwy 57 - Mequon Road. The study area is three miles long from County Line Road (south boundary) to Glen Oaks Lane (north boundary) and I-43 (east boundary).

The City of Mequon has completed a Real Estate Market Analysis: Port Washington Road Corridor (final report dated November 2024) which recommends the following targeted goals:

- Commercial developments appropriate for locating Port Washington Road include full-service restaurants, higher end and/or business class hotels, family and adult indoor entertainment/recreation venues.
- The market can support at least one new hotel, with 60-100 rooms. With the medical cluster, senior living communities, plus business travel, the area could support a 4+ star hotel in this corridor.
- The corridor may benefit from the addition of venues that cater to more weekend entertainment.
- Redevelopment of thirteen (13) prioritized redevelopment sites.

The Real Estate Market Analysis of Port Washington Road has extensive reporting on the city’s demographics, employment industry, housing, commercial competitive analysis including development trends, traffic, resident and visitor profiles and trade area, market value and outlook.

REQUEST

The City of Mequon requests all interested and qualified firms capable of providing the required information to submit turnkey proposals to the following timeline and scope as outline below.

Issue Request for Proposal	May 15, 2025
Proposals Due to the City of Mequon	June 12, 2025

Attachment: RFPDraft04.02.25 (10278 : New Hotel Development Feasibility RFP)

Contract Award	July 8, 2025
Project Kick-Off	July 21, 2025
Project Completion	TBD

SCOPE OF SERVICES AND OBJECTIVES

The scope of services include:

1 RESEARCH & COMMUNITY OUTREACH

Conduct field research to determine the relationship between the community and its lodging needs such as:

- Current and potential future need
- Current and desired essential amenities
- Scale or quality preferences
- Employer overview
- Demand generators and attractions including peak
- Demographic assessment and report

2 DATA COMPLIATION

Comprehensive compilation of city’s economic indicators, competitive lodging supply and lodging demand.

- Costar global data
- Competitive hotel properties data summary
- Primary and secondary competitive performance
- Key performance indicators supply & demand/supply & demand changes, occupancy rate average, daily rate, monthly revenue, unit type, rental growth, property and unit amenities, inventory and sales
- Key performance trends/changes
- Market segmentation projections

3 ECONOMICS

Assess the stability and growth potential of the market.

- Present projections for stabilized hotel operations based on current and prospective operating performances in the market including occupancy, daily room rates and sales revenue
- Overall economic condition of community
- Trending lodging data of current lodging supply

4 FORECASTING

Assess the impact and proforma of a new hotel development

- Economic Impact: Direct and Indirect

Attachment: RFPDraft04.02.25 (10278 : New Hotel Development Feasibility RFP)

- Impact of new hotel development on current lodging supply
- Cost of construction of new hotel development
- Cost of operation of new hotel development
- Potential revenue for new hotel development

5 SITE SELECTIONS

Recommend sites, including consideration of the thirteen (13) prioritized redevelopment sites of the Real Estate Market Analysis: Port Washington Road Corridor, and identify the following:

- Property type
- Property size
- Location criteria
- Services and amenities

Compare and rank prospective sites.

CITY INVESTMENT

Address Overall Project Timeline and Breakdown Any Proposed Phasing
Address Phased Implementation by Scope, Cost and Seasonal Impact

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Performance Requirements EVALUATION CRITERIA AND PROCESS

Those consultants responding to this RFP must address the following criteria:

- Qualified candidates shall have extensive experience in hospitality industry market analysis.
- Describe how your firm's expertise meets and enhances the project's needs.
- Demonstrated experience in successfully working with various public stakeholders and public sector agencies in accomplishing projects of this type.
- Provide examples of similar successful projects that your firm has undertaken.
- Provide examples of your firm's work concerning partnerships and contracts with municipal entities and interaction with the public.
- Provide examples of your firm's work concerning partnerships and contracts with hospitality brands.
- Describe your business's level of interest and availability for this project, address philosophies concerning the outlined scope and any obstacles in project initiation, process and management, schedule, estimated budget, and implementation. Address any post-project support provided, if any.
- Submit the resumes of the specific project team members that would be involved in this project.
- Provide details regarding any planned changes, enhancements and news releases regarding your firm's activity in the marketplace in the near future that may impact this project.

Questions may be directed to Kimberly Tollefson, Director of Community Development, at 262.236.2903 or ktollefson@cityofmequonwi.gov.

Proposal Submittal Format

Consultants must submit their proposals to the City of Mequon Community Development Department, addressed to:

Community Development Director, Kimberly Tollefson
11333 North Cedarburg Road
Mequon, WI 53092

Submissions shall be received by 1:00 P.M. on _____, 2025. Please provide three (3) bound proposal copies. Electronic copies are also acceptable and may be submitted to ktollefson@cityofmequonwi.gov, by the same deadline. Electronic copies require

acknowledgment of receipt by the city to be considered. Consultant selection will be based on quality of proposal, qualifications of the project team, and fee to complete the work.

The City reserves the right to reject any and all proposals. The City reserves the right to negotiate the terms of the contract, including the award amount, with the selected proposer prior to entering into a contract. If contract negotiations cannot be concluded successfully with the preferred proposer, the City may negotiate a contract with the next preferred proposer.

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