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ECONOMIC DEVELOPMENT BOARD

Tuesday, July 25, 2023

8:00 AM

North Conference Room

Agenda

- 1. Call to Order, Roll Call**
- 2. Approval of Meeting Minutes from June 27, 2023**
Action requested: review and approve.
- 3. P2 Development – Development Agreement Extension**
Action requested: approve.
- 4. Industrial Land Uses Update**
Common Council Update
- 5. Port Washington Road**
Zoning Progress
- 6. Staff Updates**
- 7. Announcements**
The next meeting is Tuesday, September 19, 2023, at 8:00 a.m.
- 8. Adjourn**

Dated: July 21, 2023

/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, June 27, 2023

8:00 AM

North Conference Room

Minutes

1) Call to Order, Roll Call

Present:

Chair Timothy Carr
 Vice Chair Jeff McLean
 Alderman William Gebhardt
 Board Member Dennis Engel
 Board Member Daniel Gannon
 Board Member Tracy Johnson
 Board Member Michael Kramer
 Board Member Bruce Sipiora
 Board Member Colin Boyd -- **Absent**
 Board Member Inge Plautz -- **Absent**

2) Approval of Meeting Minutes from May 23, 2023.

Action

Board Member Gannon made a motion to approve the minutes from May 23, 2023.
 Board Member Kramer seconded the motion.
A voice vote was taken; vote passed (8-0)

3) Industrial Land Uses

Director Tollefson stated that this item is on the Committee of the Whole agenda on July 11th at 6:30 p.m. and she welcomed Board members to attend. She explained that the presentation would include the proposed uses, feedback from the surrounding property owners, feedback from OED, M7 and WDEC as well as issues regarding infrastructure in the area. Feedback from the Council will help direct how this proposed project will move forward as the next steps involve consultant expenses and a much deeper analysis of the infrastructure.

Engineering Director Kristen Lundeen stated that any service area can be served, it is a question of what the cost is to do so. She explained that the new Swan Ridge Farm

subdivision, which will be located just east of Huntington Park, will generate a new water connection point at Swan Road which will be the closest water connection and the closest sewer connection point will be through Huntington Park.

She further explained that there are two options to bring water service to the proposed area; either down County Line Road or to request a contract amendment with Milwaukee Water Works for a third connection. She also commented that the decisions about public utilities are not dependent on each other. The biggest determination regarding water is what the service area is going to be and what capacity is required. Water is easy to retrofit as needed, although there is a cost. The water utility cannot fund development or construct water main in anticipation of development. Another important consideration is whether there is enough draw on the water to make rates. Eng. Dir. Lundeen answered that the analysis regarding the water utility would involve both city staff and the contracted water services.

She further explained that sewer is more difficult from several perspectives including review of the area that needs to be served as well as topography changes in the area. Determining whether the area should be included in the sewer service system begins with a city/sewer utility decision which is a couple months process and requires a public hearing. Obviously, the property owners want to know because as soon as the sewer service area boundary amendment takes place, there is a tax implication, even without the infrastructure extended to the system. If the city approves it, then it goes on to SEWERPAC, DNR and MMSD for approvals; typically, a 6–9-month process.

There would need to be assumptions about the sizing and depth needed for the estimated capacity. This is one of the reasons FAR and specific uses are critical components of the analysis needed to determine infrastructure capacity needs. The sewer service must be contiguous.

The Board asked questions of staff regarding the utilities and infrastructure and various scenarios were discussed.

Dir. Tollefson relayed that she had talked to about half the neighboring property owners that were contacted about the potential zoning changes. The owners appreciated being notified early in the process and the overall feedback is supportive of the proposed changes.

She concluded the discussion by reiterating that the Common Council will be presented with all of the infrastructure information as well as the zoning information at the July 11th meeting in order to decide about the direction of this proposal.

4) Residential Land Uses

Dir. Tollefson stated that there have been two development proposals, with components of residential and industrial, for the area south of Donges Bay Road and east of Baehr Road. At the time of the consultations, the Common Council did not want to relinquish the industrial zoned land without this zoned identified elsewhere in the city. She explained that these two issues go hand in hand, and both will be presented to the Common Council in July.

She commented that from a planning staff perspective there is an approach where senior or plex housing development would be located on the north side of the site and then as it transitions to the south it could transition to a lower density type of residential development. Staff supports residential development in this area but there are utility and infrastructure challenges as only a portion of the property is in the sewer service area.

She explained there is an environmental critical area on site and some restrictions with buildable areas. Staff is open to allowing for higher densities to enable the economics of the project to work for developers. From a zoning, planning and land use perspective a residential project makes sense but the infrastructure issues need to be worked through. Due to its location staff believes it is better suited to residential zoning than industrial as it is located in the middle of the city which also leads to transportation issues for industrial users.

5) Staff Updates

The Board questioned the progress of the Port Washington Road streetscape improvements. Director Tollefson stated that Assistant Director Zader will give a status update on this at the July 25, 2023, meeting.

She explained that the incentives are completed but the zoning is being reviewed for specific changes to the zoning code and how best to guide future denied uses and appropriate locations.

6) Announcements

Dir. Tollefson gave a brief overview of the items approved at the Planning Commission agenda from the previous evening: Dunkin Donuts, Alliance Bible Church, Lifespace carriage homes at New Castle, North Shore Country Club new outdoor bar and pavilion, Foxtown distilleries and outdoor dining space and Concordia music building.

The next meeting is Tuesday, July 25, 2023, at 8:00 a.m.

7) Adjourn

Respectfully Submitted,

Kim Tollefson
Director of Community Development



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Office of Community Development

TO: Economic Development Board
FROM: Kim Tollefson, Director of Community Development
DATE: July 25, 2023
SUBJECT: P2 Development - Development Agreement Extension

Background

Resolution No. 3916 approved in February 2022, authorized a Development Agreement for infrastructure improvements and a Town Center TID incentive for the P2 Planned Unit Development in connection with the townhome development currently under construction on Buntrock Avenue. The agreement outlines construction timelines, occupancy timelines and values. An amendment to the Development Agreement was approved in March 2023, adjusting the contingency of timing associated with project completion from June 1, 2023, to September 1, 2023.

The developer, P2 Development, is requesting a second amendment to extend the timing contingency 75 days (November 15, 2023).

Analysis

The residential project includes 42 townhomes located on Buntrock Avenue, immediately south of the Artesa residential site. The original agreement requires project completion on June 1, 2023, and the approved amendment requires project completion by September 1, 2023. According to the developer, an additional 75 days is needed to complete the project for the following reasons:

- Delay in delivery of electoral equipment, appliances, and fireplaces
- Delay of other, numerous building materials due to supply chain factors.

The Developer details the following project to date:

July 1, 2023: a) first 10 units at 11100 N Buntrock Avenue received their occupancy permit, b) first lift of asphalt was installed on the entire site and c) landscaping was completed around this building.

August 1, 2023: a) expected occupancy on 11080 Buntrock Avenue Community Center and 11050 N Buntrock Avenue of 10 units, b) all landscaping will be completed along Buntrock Avenue and 90% will be completed around the perimeter of the site.

September 1, 2023: expected occupancy at 11060 N Buntrock Avenue of 10 units.

October 1, 2023: a) expected occupancy at 11110 N Buntrock Avenue of 12 units and b) balance of landscaping completed and final lift of asphalt installed.

Staff supports the extension because the project has been under continuous construction and occupancy of some units has been achieved. However, staff recommends a deadline of October 27, 2023, which is 56 days. The shortened extension allows the developer and staff adequate

time to address a possible extension past December 31, 2023, should it be needed. If the project is not progressing and in risk of not being completed by year end 2023, a development agreement amendment would be necessary to contemplate loss of tax base in 2024 as planned for the Town Center TID. This could impact the financial health of the TID and the incentive offered to the developer at the time of project approval. The October 27th deadline allows the following timeline with appropriate negotiation time between staff, developer and legal representation and staff analysis and reporting:

- Site Inspection for compliance on October 30th.
- Application of additional amendment by Developer due on November 3rd.
- Economic Development Board recommendation on November 28th.
- Common Council action on December 12th.

The Developer proposed project completion date creates potential risk to timing for resolution of any financial implications related to the assessment for January 1, 2024, as contemplated and detailed in the development agreement.

Fiscal Impact

The requested amendment, with a staff recommended deadline of October 27th does not impact the expected redevelopment project value at full build-out and assessment as of January 1, 2024.

Recommendation

Staff recommends approval of the project completion date extension to October 27, 2023.

The Finance & Personnel Committee recommendation and Common Council action is forthcoming on August 8, 2023.

Attachments:

Foxtown Town Homes Update 7-3-2023 (DOCX)

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT 07.25.23 (DOCX)

Foxtown Town Homes Update 7/3/2023:

As of July 1st, the first 10 units at 11100 N Buntrock Ave. received their occupancy permit. First lift of asphalt was installed on the entire site. Landscaping was completed around this building.

August 1st, we are looking to have occupancy on 11080 Buntrock Ave Community Center and 11050 N Buntrock Ave. with 10 units. At that time, all landscaping will be completed along Buntrock Ave and 90% will be completed around the perimeter of the site.

September 1st, we are looking to have occupancy at 11060 N Buntrock Ave. 10 units.

October 1st, we are looking to have occupancy at 11110 N Buntrock Ave. 12 units. Also, will have balance of landscaping completed and final lift of asphalt installed.

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

WHEREAS, the parties to this Second Amendment to Development Agreement executed a Development Agreement of March 2023 (“the First Amendment to Development”) and on February, 2022 (“the Development Agreement”).

WHEREAS, the parties are desirous of amending said Development Agreement, in order to amend and restate certain terms and obligations, as follows.

NOW THEREFORE, the parties to this Amendment to Development Agreement, agree that the following shall modify and amend certain provisions of the Development Agreement, as follows:

1. All references to and meaning of Project shall remain as defined in the development agreement and all references related to Project Completion Date shall remain as defined.
2. The Project Completion Date shall be amended to no later than October 27, 2023.
3. Except as hereby amended, all other terms and provisions of the Development Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties to the Development Agreement and this Second Amendment to Development Agreement have caused this to be signed in duplicate originals this _____ day of _____, 2023, which shall be the effective date of this Second Amendment to Development Agreement.

CITY OF MEQUON

Andrew Nerbun, Mayor

Carline Fochs, City Clerk

IN WITNESS WHEREOF, the parties to the Development Agreement and this Amendment to Development Agreement have caused this to be signed in duplicate originals this_____day of_____, 2023, which shall be the effective date of this Second Amendment to Development Agreement.

P2 Development

By:_____

Dated:_____.

Robert Bach

Notary



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Office of Community Development

TO: Economic Development Board
FROM: Jac Zader, Assistant Director Community Development
DATE: July 25, 2023
SUBJECT: Port Washington Road

Background

Efforts to revitalize the Port Washington Road corridor include the following:

- TID Project Plans and Incentive Policy
Approved by EDB and Common Council pending zoning code modifications.
- TID Streetscape Plan
Approved by the Port Washington Road Design Committee and Common Council subject to certain changes and potential expansion north of the intersection of Mequon and Port Washington Road
- Zoning Code Modification
In process.
- Design Standards
Pending Zoning Code modifications

Per the Council's direction, the Board along with staff is tasked with assessing the current zoning designations to determine what changes could be made to enhance the vitality of the district and promote desirable uses and align with the TID incentive policy.

Additional objectives of the work per staff's perspective include:

- Clean and update zoning to reduce dilution among categories.
- Align desired uses with appropriate locations.
- Cluster similar uses and operations for synergy.
- Have the ability to deal with market shifts.

Staff has reviewed the various zoning districts and developed a concept plan based on current zoning code uses and business in place. Staff will be prepared to discuss proposed changes to the map and use categories that are included in the packet. As part of this process, staff has determined that while a clean up of the code is necessary, it alone will not likely have a major impact to the future redevelopment of the corridor. In concert with the zoning changes, staff is recommending that changes be made to the land use plan to guide future development.

Analysis

It is evident that the existing zoning categories and uses in the current zoning districts (B-1, B-2, B-3, B-4) that encompass most of the land along Port Washington Road need to be cleaned up. The last major change was completed in the early 1990's and many of the use categories are no longer applicable in today's commercial environment. In addition, modifications to each of the use categories over the years have diluted the differences between the individual zoning districts. Staff has spent considerable time reviewing the current zoning and the existing land use patterns along the corridor and have prepared an updated zoning map that consolidates uses by current

land uses in the area and the desire to limit certain uses, such as fast food, financial institutions, auto related facilities, to certain areas along the corridor. In addition, the work attempts to cluster similar type uses and their operations or scale of facilities. This approach will create several nonconforming uses throughout the corridor that will require further assessment and decision-making as the zoning changes are advanced. Staff will need direction from the Board to whether this approach is warranted before moving along in the process. Additional assessment of the zoning will include specific development standards for certain uses and the inclusion of uses that could be attractive as infill redevelopment or alternatives uses to fill the supply of office space that currently exists in the corridor.

While staff believes an update to the zoning code is warranted at this time, future impacts of these changes will not be enough to address other stated land use objectives of Board including promoting desired uses in certain locations and being able to adjust to shifts in the market. The zoning code is a regulatory tool that is reactive to current conditions. The land use plan is a tool that can guide future land use actions of the community. Staff recommends an approach that leverages the City's Land Use Plan and Comprehensive Plan to make the desired land uses, and their desired locations, clear to the public market and property owners. While this results in more process and higher level of effort, staff believes this is an appropriate mechanism to address the objectives of the Board.

An example of this circumstance includes the desire have a hotel. Currently, hotels are a conditional use in the B-2 zoning district. They are prohibited in all other commercial districts. Many locations in the B-2 would not be desirable for a hotel and other locations outside of the B-2 would have been identified as suitable locations for such a use. It is not possible to parse a zoning district to allow for certain uses in certain locations. The land use plan has more flexibility in this regard. The land use plan can dictate uses to more specific locations and contain more categories if necessary. The possible strategy would be to remove the hotel as an approved use in all zoning districts and provide guidance in the land use plan to where the city would support them in the future. When a proposed project comes forward the land use plan is used to determine whether the proposed zoning change is consistent with this objective.

Staff will be prepared to discuss the analysis to-date and our recommended approach in detail at the meeting.

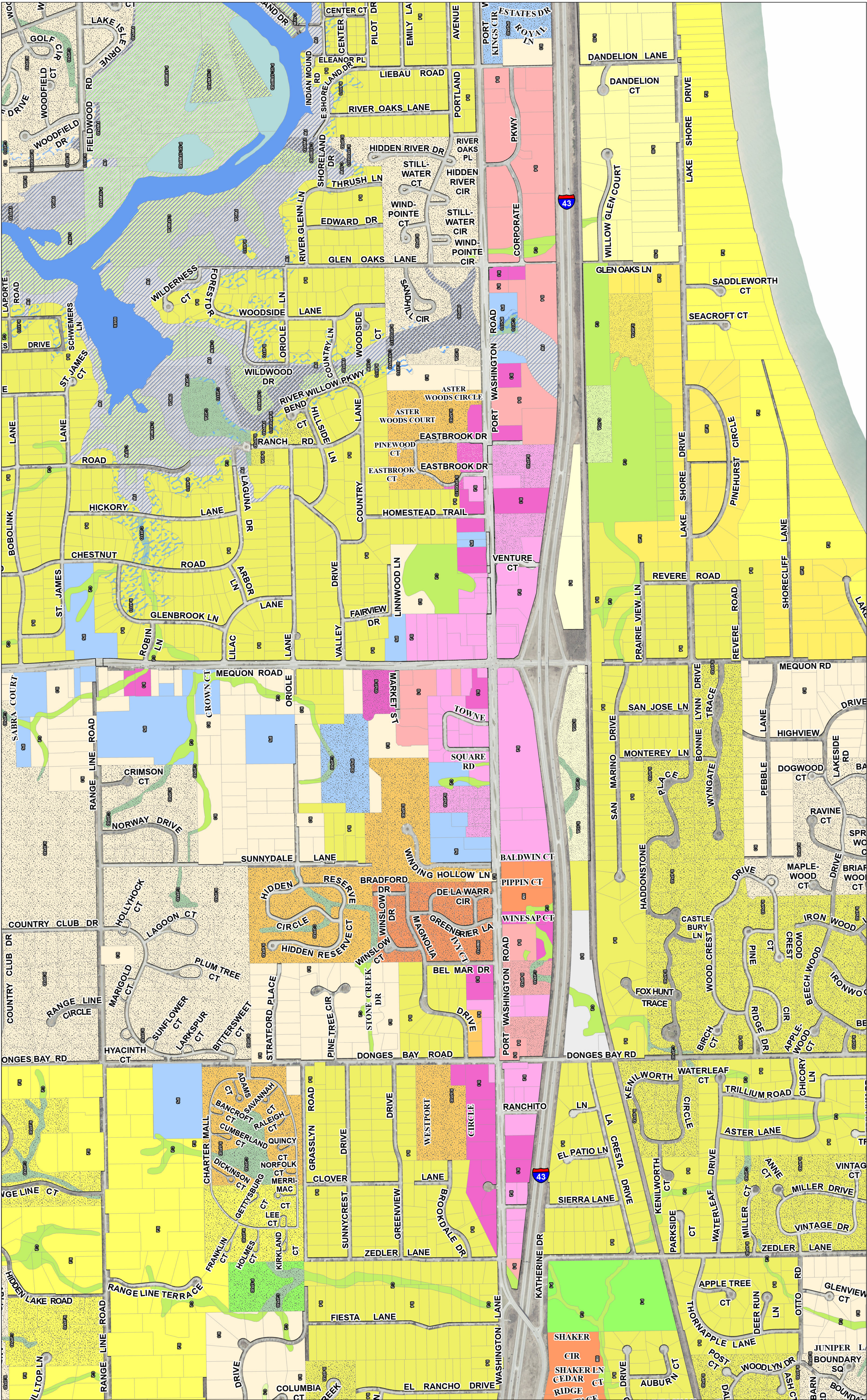
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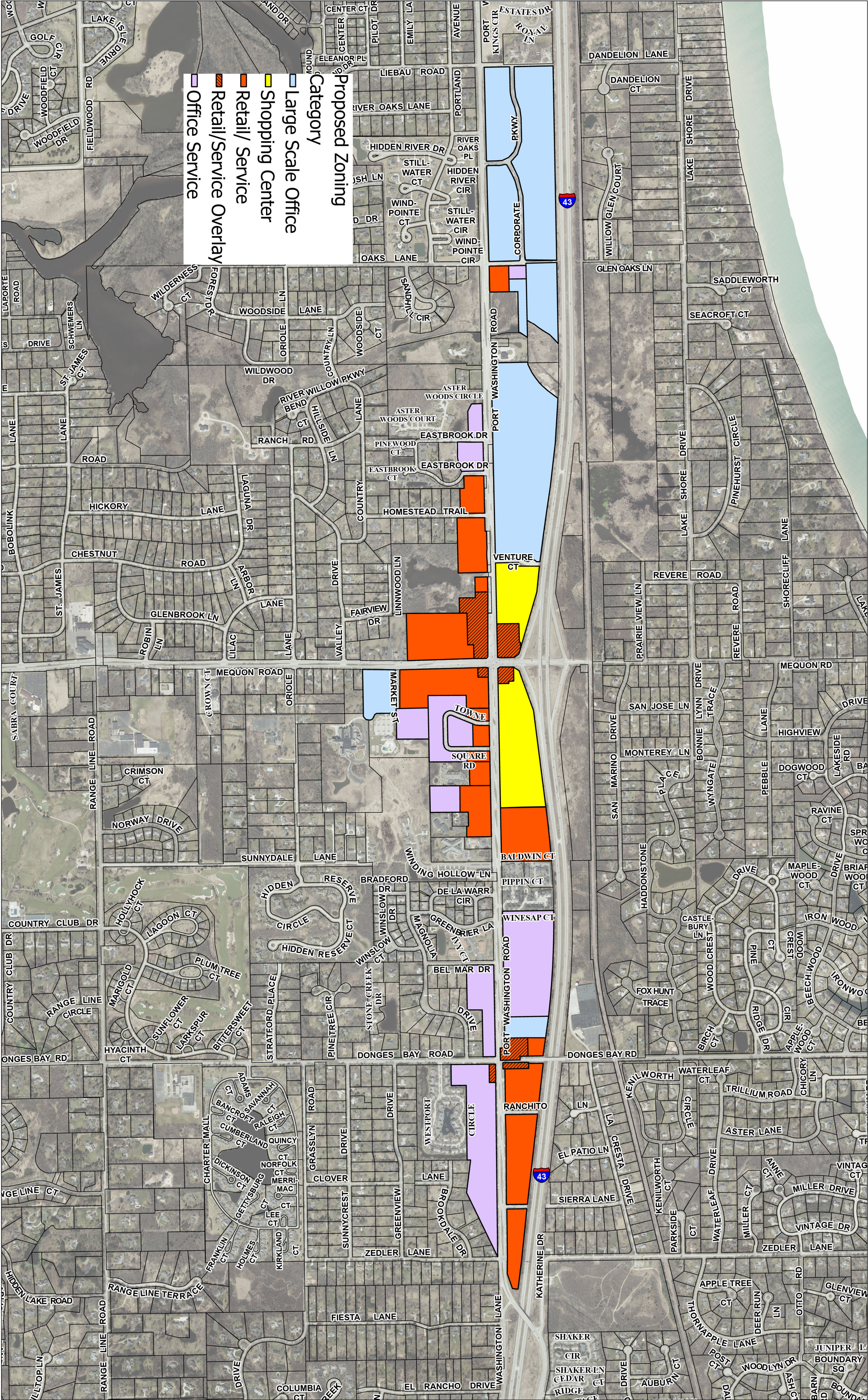
Attachments:

Current zoning (PDF)

PWzoning (PDF)

Zoning Uses (XLSX)





Current ZoningCategory	Retail/Service	Retail Service w/o	Office/Service	Large Scale Office	Shop Center
Retail Trade					
Car Dealership	X	C	X	X	X
Auto Service Facilities	X	C	X	X	X
General Merchandise	C		X	X	P*
Grocery Store	P		X	X	P
Liquor Store	X	C	X	X	P
Resale Clothing	C		X	X	P
Personal Care Services					
Hair Nail and Skin	P		P	P	P
Barber Shop	P		P	P	P
Funeral Homes	C		P	C	X
Drycleaners	P		P	P	P
Professional, Technical and Scientific Service					
R and D	X		P	P	X
Art Studio	P		P	P	P
Photography Studio	P		P	P	P
Vet Clinic	C		C	P	C
Finance and Insurance					
Financial Inst	P		P	P	P
Arts, Entertainment and Recreation					
Health Club	C		X	C	C
Fitness Centers	P		C	P	P
Indoor recreation	P		P	P	P
Theaters					
	x		x	C	X
Accommodation and Food Service					
Hotel	X		X	C	X
Full Service restaurant	C		C	C	P
Limited Service resturant	X	C	X	X	C*
Bar/Nightclub	X	C	X	X	X
Banquet or Reception Hall	C		C	C	X
Convention Center	C		C	C	X
Health Care and Social Assistance					
Childcare	C		X	X	C
Medical office	P		P	P	P
Dentists	P		P	P	P
Uncategorized					
Light Manufacuring	X		X	C	X
Processing	X		C	C	X
Wholesaling	X		C	C	X
Distribution	X		C	C	X
Warehousing	X		C	C	X
Printing and Publication	X		P	P	X