

**MINUTES OF THE
OAK CREEK PLAN COMMISSION MEETING
TUESDAY, FEBRUARY 13, 2018**

Mayor Bukiewicz called the meeting to order at 6:00 p.m. The following Commissioners were present at roll call: Commissioner Hanna, Commissioner Johnston, Alderman Loreck, Alderman Guzikowski, Commissioner Siefert, and Commissioner Chandler. Commissioner Carrillo and Commissioner Correll were excused. Also present: Kari Papelbon, Planner; Director of Community Development Doug Seymour; City Administrator Andrew Vickers; Bridget Souffrant, Finance Director.

Minutes of the January 23, 2018 meeting

Commissioner Siefert moved to approve the minutes of the January 9, 2018 meeting. Alderman Guzikowski seconded. On roll call: all voted aye. Motion carried.

**PUBLIC HEARING
TID NO. 14 PROJECT PLAN & BOUNDARIES**

Planner Papelbon read the public hearing notice into the record. Mayor Bukiewicz made a call for public comment.

Planner Papelbon gave an overview of TID No. 14. It involves three parcels for a total of 10.5 acres. It is a blighted district per the statutory definition. The proposal would include redevelopment with manufacturing type uses.

Dan Johns, Vandewalle & Associates, stated that action by the Common Council will take place on March 6, 2018. Sometime in early April, the Joint Review Board will take action on this item.

Mr. Johns reviewed the elements that are required within a TID Project Plan.

Mr. Johns explained that one of the required elements is the “but for” test: absent the use of tax increment financing, the development that is anticipated in the district would not occur at the type, intensity or timing that is envisioned.

Mr. Johns stated that the purpose of TIDs 14 and 15 is to advance site-specific remediation for a number of blighted parcels within each district and to provide for public improvements. This is meant to stimulate some new development and redevelopment growth in the TID areas along Rawson and Drexel Avenues. Along 6th St., this is primarily in the form of redevelopment incentives that have been agreed upon by the City by the use of term sheets, and supports complimentary uses within districts that are starting to change over in the longer term.

Mr. Johns continued to explain that TID 14 is at the northwest corner of Rawson and 6th, 10.5 acres with three parcels, and is vacant industrial land. There is contamination at this site. It is underutilized under its current form and was the former site of a heating oil business. Its current base value is about \$640,000. The entirety of the district was found to be blighted through a visual survey that was conducted. This survey provided that at least 50% of the area of the district is found to be in need of remediation or is considered blighted. That provides for a TID term of up to 27 years. The redevelopment that is proposed for this area is a new manufacturing facility. It is estimated to provide at least \$10 million in new incremental value over and above the current base. Should the district be left open for the entire 27 years, it would generate about \$5.7 million in tax receipts, but the anticipation is that the districts will be closed well prior to that date.

Mr. Johns showed a sketch of the proposed redevelopment.

Mr. Johns explained that TID 15 is made up of 4 parcels of about 6 acres. The parcel nearest the corner is a mini storage warehouse. Parcel No. 2 is the former Metalspun industrial facility, which is currently vacant. There are a number of heating and HVAC and light industrial uses. The base value of that land is just south of \$2 million. It was also found in its entirety to be blighted. Over the entire 4 parcels, he anticipated that there could be up to \$5 million in new incremental value that could be created during the life of the district. Should that district be held upon for the entirety of the statutory period, there could be up to \$2.7 million in tax receipts. This TID is also anticipated to close earlier than that.

This TID is envisioned as a Phase 3 development and that the parcels to the west would be redeveloped as a grocery store and retail outlet within the next couple of years. Should those properties be made available for redevelopment, another \$1.5 million or so could eventually be generated off of those sites for a total of about \$5 million in the next 4 or 5 years.

Mr. Johns reviewed the eligible project costs. They include but are not limited to certain kinds of capital costs including public infrastructure, property assembly/relocation costs, demolition/site preparation costs, planning/engineering/legal costs, marketing, cash grants and other administrative costs.

Mr. Johns stated that the costs associated with each TID will be limited mostly to incentives, administrative costs, related financing costs and interest and some nominal amounts for some railroad bridge improvements.

Andrew Vickers, City Administrator, stated that these projects are about blight elimination in the community; aesthetic and environmental contamination with respect to each of the TIDs. These TIDs do well at satisfying the "but for" test for the Joint Review Board and Plan Commission. These are highly trafficked, high visible areas. The impetus for and interest for the City is the blight and aesthetic elimination in the community; it is less so about tax receipts. The project costs using TIDs are exactly for those environmental and clean-up costs.

Mr. Vickers stated that the City is very anxious to close all TIDs early and getting them back on the general property tax rolls of the City. If things go as projected, and because these TIDs are very simple in scope, it is projected that TID 14 to be closed in 15 years of a 27-year statutory life, and TID 15 can probably be closed out in 12 years based on financial feasibility.

Mr. Vickers stated that as far as TID 14 is concerned, it has a very nasty environmental history, and there is a developer that is willing to take on the environment challenges of the property. The TIF assistance is being used exclusively for those clean-up efforts. There was a site investigation done independently by the developer, which was also verified by the City's environmental engineering firm. Mr. Vickers stated that there is some key deal terms ironed out for an upcoming development agreement.

Mr. Vickers stated that in TIF 14, there is an upfront City grant to the developer as well as a pay-go to the developer. The City grant portion, upon verification, of the \$10 million plus in increment is a city grant of \$1,081,250. On the back end of the pay-as-you-go sharing of tax increment generated by the new construction, the City will pay up to \$880,000. That is based on actual environmental remediation costs. If the developer doesn't spend that much money, those amounts go down proportionately in terms of the City's assistance.

Mr. Vickers stated that in each of these districts, there is also an annual administrative fee to the City for the Finance Director's time and auditing purposes, and other administration of the TID, such as reporting to the DOR. That amount is \$7,500. Part of the funding (\$75,000) of both TIDs will be set aside for railroad bridge rehabilitation on Rawson and Drexel.

Mr. Vickers stated that as concerning TID 15, the property currently houses a metal storage building, and an outmoded, vacant industrial parcel. This is not exactly match the level of investment across the street in Drexel Town Square.

Mr. Vickers stated that the actual clean-up, asbestos removal when razing the buildings, and onsite environmental stormwater work is about \$1.2 million. This is for the two western pieces of the property. This is a pay-as-you-go only assistance of \$525,000. Another reason for the City's interest is that there are exorbitant land costs that the developer is going to have to pay for these two parcels. The first two western parcels are under contract north of \$950,000 per acre. The metal storage condominium business is doing well and they don't have to sell. The developer has to pay for the value of the business and the loss of business as well as the land. The present property owners don't see it as vacant land.

Mr. Vickers mentioned that there will be a medium-sized grocer on Parcel 2, and a 6,100 square-foot outlot building could potentially be some medical office use in there. The developer has already secured the retail grocer.

Mr. Vickers stated that the only two unknowns are with the parcels to the east in TID 15, which are the former Roth parcels. Staff wanted to make sure that all of the properties are redeveloped at one time. Because Roth is an existing business, they need a place to go before they can sell their property. Discussions are active with the developer on relocating.

Bridget Souffrant, Finance Director, stated that TID 14 can feasibly be closed in 2032. There is a \$51,000 fund balance at the end of that year that would go back to the taxing jurisdictions. The Municipal Revenue Obligation is being used in the project plan at the beginning rather than later in the development because there are ready developers and the term sheets are prepared, unlike previous TIDs, where there are unknowns.

Arden Degner, 8540 S. Pennsylvania Ave., stated his concern that TID 14 has not been called a brownfield. Director Seymour responded that the tools that are available for brownfield development have already been utilized in the site investigation with site assessment grants. If there are other tools available for brownfield redevelopment and remediation of that site, the City and developer will avail themselves of those opportunities. Mr. Degner stated that that area where oil trucks were going in and out should be classified as a brownfield.

Mr. Degner asked about what kind of relocation assistance will be provided to Roth Heating. They have been a sturdy and reliable part of Oak Creek. He stated his concern that this action is going to wipe them out. Mr. Vickers responded that this is a cooperative relationship with the City, the developer, and Roth Heating. There are no designs of using eminent domain or anything along those lines. If Roth seeks out and finds an opportunity to operate their business somewhere else and they work a land deal with the developer, that will be in a cooperative setting. Mr. Degner stated his concern that they are not being given any relocation assistance. He stated his objection of this treatment of one of Oak Creek's stalwart service industries.

Mayor Bukiewicz made a second and third call for comment. Seeing none, the public hearing was declared closed.

PUBLIC HEARING

TID NO. 15 PROJECT PLAN & BOUNDARIES

Planner Papelbon stated that if there are no objections, the same notice that was read into the record for TID No. 14 is also valid for TID No. 15, and she would not read it again.

Mayor Bukiewicz made three calls for public comment. Seeing none, the public hearing was declared closed.

TID NO. 14 PROJECT PLAN & BOUNDARIES

TID NO. 15 PROJECT PLAN & BOUNDARIES

Commissioner Siefert asked if the current or previous owner is responsible for the clean-up of the contamination. Attorney Andy Skwierawski, Friebert, Finnerty and St. John, 330 E. Kilbourn Ave., Milwaukee, WI, responded that they are investigating whether or not there are responsible parties in the past. In their investigation they did run into corporations that are defunct and bankrupt. The purchase agreement that is occurring is between his client and the bank that is foreclosing on the current owner of the property. They are still attempting to make sure that there is no chance that there is anybody else that may be a responsible party. To date, they have not been able to locate that party. The developer is operating under the assumption that this is a blighted property and they are going to do whatever they have to [to] get it to the point where the development can be made. Mr. Vickers stated that in the event there are other responsible parties or the developer doesn't spend the dollar amount that has been budgeted in this tax increment district, the City does not expend those dollars either. Mr. Vickers stated that these same remediation efforts and costs remain the same whether it is being used as a manufacturing space or a hotel waterpark, for example. Overall, this is consistent with the Comprehensive Plan for this area. Director Seymour stated that in both of these cases, the project costs are limited from the City's perspective. This is not a give-way to a developer, but rather a means to an end; that end is getting that property cleaned up. If nothing was done, it would sit there and possibly worsen the conditions that are there now. Director Seymour stated that TID 14 is a wholly legitimate use of the TIF tool that has been afforded to municipalities.

Commissioner Chandler asked for more information about the company that will reside on the property for TID 14. Mr. Vickers responded that it is a speculative manufacturing warehousing distribution facility of 180,000 square feet. There has not been a tenant identified for the building at this time.

Commissioner Siefert asked for more information on the railroad bridge rehabilitation. Mr. Vickers stated there is no formal plan right now. It may end up being a unique community public involvement process. The railroad will definitely have a say if and what could be done to beautify. This will be more than being painted over. They may be factoring in some other strategic community goals, possibly some public art amenities.

Alderman Guzikowski stated his concern with the blight in TID 15.

Commissioner Loreck asked why the Drexel Town Square TID (TID 11) was not amended to include the TID 14 area rather than creating a separate district. Director Seymour responded that the environmentally blighted district designation for the standalone TIF gives more flexibility with respect to payback and how project costs are approached. By not doing an amendment on TID 11 (Drexel Town Square), the City did not utilize one of the few opportunities to do a boundary amendment. The boundaries have already been amended twice, and four are allowed. It made more sense to do a standalone district to compartmentalize the Drexel Town Square district by itself for ease in implementing the development agreement. Ms. Souffrant added that the parcels across the street from Drexel Town Square have a base value. If TID 11 would have been amended, the assessed value of TID 11 would take a dip because of the base value of the proposed TID 14. Mr. Vickers stated that amending TID 11 and including this development does not allow the City to close TID No. 11 any earlier.

Commissioner Loreck asked what the milestone is to closing out these TIDs earlier. Ms. Souffrant responded that that all depends on what is in the development agreement. The debt has to be

satisfied. If the City has the obligation to pay the developer up to a certain dollar amount, that would have to be worked through. Mr. Vickers stated that the timelines for closure include worst case scenarios. Inflationary evaluation amounts have not been included and the City is pre-supposing a static mill rate when forecasting an early close-out.

Commissioner Loreck asked if the increment is going only for remediation costs. Mr. Vickers responded that the development agreement will identify what the City's dollars are going towards: environmental conditions, razing and removing of the buildings, and asbestos removal. They are looking at project costs of \$1.2 million. The City's investment in the two western parcels is \$525,000. Mr. Vickers stated that the City is not investing in another retail grocer. There is no direct financial relationship with the City and that grocer. The City is paying for approximately half of the costs to ready the property for development. The developer is paying the inflated price for the land and that does not accommodate the additional \$1.2 million on top of that that they have to invest into the property to put it into a redevelopable state. That is on top of the inflated land price already.

Commissioner Chandler asked if there is grant involved in TIF 14. Mr. Vickers stated that the City and developer are partnering with the Wisconsin Economic Development Cooperation. They have what they call a SAG grant, which is a Site Assessment Grant. The parties have not been awarded that yet. That grant money would reimburse the developer for the investigation costs that have already gone into the property. The City is merely a conduit for that with no financial liability to that process.

Commissioner Chandler asked why there is no grant for TID 15. Ms. Souffrant responded that the environmental issues for TID 14 require more assessment and research into acquiring that property and moving forward. The testing for underground is what the developer has currently partnered with the City in applying for that grant. In TID 15, the environmental issues are above ground and something that a developer typically takes care of, and the City would normally not have any participation in.

Mr. Vickers stated that the City has been working on both of these potential TIDs for about nine months as far as what the City is willing to do, what the issues are with the property, and having the developers secure rights to the property. The last 45 days or so have been spent putting the documents together for presentation.

Commissioner Siepert asked what would happen if Roth Heating does not want to relocate. Mr. Vickers responded that the City has no project costs associated with the Roth piece. There is an earmark of \$225,000 for whatever might need to be done there. If the Roth piece doesn't happen, then the City has not expended any funds. Mr. Vickers added that the time completion should stay the same whether that piece is involved or not.

Mayor Bukiewicz stated that the proposed TID 14 is contaminated and one of the worst eyesores in this part of the City. There is a small window of opportunity to 1) clean it up; it will not be any less expensive to wait, and 2) the City has a willing partner that can come in publicly and privately to help accomplish this.

Mayor Bukiewicz added that as far as the spec building is concerned, they are marketing it as to what they feel they can put up cost-wise. Whatever it will be, it will be a vast improvement in this area. If the improvement of the railroad bridge can be accomplished, that is a plus. This is being done mainly for clean-up, but it will also eventually build the tax base.

Mayor Bukiewicz stated that TID 15 is laid out very well. This is not about supplementing anyone for their business. This is just preparation of land. This is just a continuation of the success of Drexel Town Square. There is a window to clean these areas up and the City has a willing

participant and this project should proceed.

Commissioner Siepert stated it is a good idea to clean up TID 14 area.

TID No. 14 Motion: Commissioner Loreck moved that Plan Commission adopts Resolution No. 2018-02, approving the Project Plan and boundaries for Tax Incremental Financing District (TID) No. 14. Commissioner Siepert seconded. On roll call: all voted aye. Motion carried.

TID No. 15 Motion: Commissioner Loreck moved that Plan Commission adopts Resolution No. 2018-03, approving the Project Plan and boundaries for Tax Incremental Financing District (TID) No. 15. Commissioner Siepert seconded. On roll call: all voted aye, except Alderman Guzikowski, who voted no. Motion carried.

PLAN REVIEW
HARTMAN & TOLZMAN D.D.S.
280 E. CENTENNIAL DR.
TAX KEY NO. 860-9033-002

Planner Papelbon provided an overview of the plan review request for a new dental facility (see staff report for details).

Jordan O'Conner, Design 2 Construct, N173 W21010 Northwest Passage, Jackson, WI, was present representing the applicant.

Commissioner Loreck stated he likes the look of it and it blends in well with the existing buildings.

Commissioner Siepert asked if the retention pond that is presently there is adequate enough to handle all of the development that has been placed in that area long Mayhew Drive. Commissioner Johnston responded that yes, it is. The retention pond was designed for full build-out of the site.

Mayor Bukiewicz stated that it is a really good looking building and blends in well with the area.

Commissioner Loreck moved that the Plan Commission approves the site and building plans for a dental facility submitted by Dr. Kristen Hartman and Dr. Kristi Tolzman, Hartman & Tolzman D.D.S, for the property at 280 E. Centennial Dr., with the following conditions:

1. That all relevant Code requirements are in effect.
2. That the plans are revised to include locations for all mechanicals, transformers, and utilities.
3. That all mechanical equipment, transformers, and utility boxes (ground, building, and rooftop) are screened from view.
4. That all revised plans (site, building, landscaping, etc.) are submitted in digital format for review and approval by the Department of Community Development prior to the submission of building permit applications.

Alderman Guzikowski seconded. On roll call: all voted aye. Motion carried.

REZONE & CONDITIONAL USE PERMIT
LAKESHORE VETERINARY SPECIALISTS
9472 S. 27TH ST.
TAX KEY NO. 878-9000-001

Planner Papelbon provided an overview of the rezoning and conditional use permit request for an animal hospital (see staff report for details).

Jordan O'Conner, Design 2 Construct, N173 W21010 Northwest Passage, Jackson, WI, was present representing the applicant.

Director Seymour stated that the City will be exploring some issues with respect to access easements as we progress through this process recognizing this is part of a rezoning at this point in time. Although discussion of conceptual site plans is germane to that topic, it is not something to be dwelled upon at this stage. Those issues will be worked out as part of the future conditional use permit and site plan review.

Director Seymour stated that staff received an email earlier in the afternoon from Pick N' Save, and they are questioning whether or not those easements do exist. That will be worked out and has no bearing on the item before the Plan Commission (rezoning and conditional use permit.)

Mayor Bukiewicz stated that this proposal lacks green space. However, since this is a gateway into the City, the building they are proposing is a pleasant surprise.

Director Seymour stated that the City will be taking a closer look at the 27th Street overlay districts as part of the more comprehensive review of the Zoning Code.

Commissioner Hanna asked about the retention pond. It was explained that the retention pond is currently in design, and not affected by this particular review.

Commissioner Siefert moved that the Plan Commission recommends to the Common Council that a portion of the property at 9472 S. 27th St. be rezoned from Rs-3, Single Family Residential to B-4, Highway Business (no change to the NO, Mixed-Use Neighborhood Overlay District), with a Conditional Use Permit for an animal hospital, after a public hearing and subject to conditions and restrictions that will be prepared for the Commission's review at the next meeting (February 27, 2018). Commissioner Chandler seconded. On roll call: all voted aye. Motion carried.

RECOMMENDATION FOR CONSULTANT COMPREHENSIVE PLAN AND ZONING GORDINANCE UPDATE PROJECT

Planner Papelbon stated that the City put out an RFP for this project, which is a Comprehensive Plan and Zoning Code update. The City received 5 proposals and staff chose the top 3, which were presented to the Selection Committee. The Selection Committee was made up of Department of Community Development, Mayor Bukiewicz, Commissioner Siefert, Commissioner Johnston, and Communications Coordinator Leslie Flynn. All of the proposals were reviewed and interviews were conducted with the three. Each one was provided about an hour to an hour-and-a-half for presentation and Q&A. Following that, the Selection Committee met and unanimously chose Houseal Lavigne Associates as the selected consultant for the project. The staff report gives the reasons behind the selection.

Commissioner Siefert stated they (Houseal Lavigne Associates) did a very good job, and spelled out exactly what they did for us. Commissioner Siefert asked if anyone talked to any of their references and how did they rate. Planner Papelbon responded that she spoke with the planner for the City of Flint, Michigan, and he highly recommended this firm because they were very easy to work with. The planner worked directly with the two principals, one of which he felt was one of the leading graphics persons in the nation at this time. The Flint planner did commend Houseal Lavigne for providing some services outside of their contract, and highly recommending working with them.

Mayor Bukiewicz stated that there were three very qualified firms that came in. What stood out about this particular firm is that although they were out of state, they did their homework on how

Oak Creek's development comes about, where the City is headed, the City's zoning, and where the City's needs are. They were very dynamic in their thought processes.

Director Seymour stated that the City was fortunate to have a number of proposals submitted and three very outstanding, responsible and responsive firms respond to the request for RFPs. Ultimately, what impressed the Committee was the perspective that an outside-the-area firm can bring to the community. The Committee felt that this was an opportunity to align with some of the Strategic Plan goals. Director Seymour stated that the City will be well-served by the perspective and professionalism that this firm will bring to Oak Creek.

Alderman Guzikowski asked what the timeline was and the cost. Director Seymour responded that this is typically an 18-month project, with a budget of \$160,000.

Commissioner Loreck moved that the Plan Commission concur with the Selection Committee and recommends that the Common Council award the contract for the Comprehensive Plan and Zoning Ordinance Update project to Houseal Lavigne Associates. Alderman Guzikowski seconded. On roll call: all voted aye. Motion carried.

Commissioner Loreck moved to adjourn. Commissioner Siefert seconded. On roll call: all voted aye. The meeting was adjourned at 7:38 p.m.

ATTEST:



Douglas Seymour, Plan Commission Secretary

February 27, 2018

Date