

MINUTES OF THE
OAK CREEK PLAN COMMISSION MEETING
TUESDAY, JULY 26, 2011

Mayor Bolender called the meeting to order at 7:00 p.m. The following Commissioners were present at roll call: Commissioner Dickmann, Commissioner Johnston, Commissioner Carrillo, Commissioner Bukiewicz, Mayor Bolender, Commissioner Michalski, Commissioner Correll, Commissioner Nowak and Commissioner Chandler. Also present were Doug Seymour Director of Community Development, Jeff Fortin Planner, Peter Wagner Zoning Administrator and Lieutenant Steve Jendusa.

Commissioner Bukiewicz moved to approve the minutes of the July 12, 2011 regular Plan Commission meeting. Commissioner Dickmann seconds. Roll call, all voted aye with the exception of Commissioner Carrillo who abstained. The minutes were approved as submitted.

Significant Common Council Actions

Commissioner Dickmann questioned why the accessory structure ordinance was held by the Council. Mr. Fortin explained they wanted to determine how many properties in the City the change would impact.

There were no additional comments or concerns from the Commission.

Public Hearing – Project Plan Amendment for TIF District No. 10

Mr. Fortin explained this was a project plan amendment for TIF 10 located on the east side of Howell Avenue from College Avenue south to Rawson Avenue and includes the area where Syner g is planning their hotel/retail/parking lot development. Since the district was approved in 2010 staff has been working with Syner g in an attempt to move forward. Some changes in the scope of their phasing has occurred so they would like to move forward with construction. They are requesting an amendment to the TIF for financial assistance in the amount of \$4.5 million for this phase of construction with a total investment of \$27.2 million in land, construction, engineering, architectural work and fees.

Mr. Seymour Director of Community Development added the reason for amending the project plan and the only thing that has changed as part of the project plan is the amount of the developer incentive that is being proposed. The initial project plan did not account for this \$4.5 million that is being requested. The new financial projections in the proposed amendment will amend the project plan if the Plan Commission, Common Council and Joint Review Board see fit to allow for this additional development incentive to be paid. They City would be protected with development agreements with the property owners to ensure that the guarantees and the remedies are in place so that the City secures their

investment.

Mayor Bolender opened the public hearing for comments or concerns and made the first call.

Mr. Arden Degner, 8540 S. Pennsylvania Avenue commented the idea of taxpayers having to fund private construction particularly hotels and motels is always questionable and should be off of the table. The original proposal was a certain amount of \$.50 per car per day was to be given to the City to defray that and if it was increased how much do they intend to construct and is the City going to come out ahead on this project. Mr. Seymour explained the total project would be guaranteed for a minimum assessed value of \$21 million dollars based on the estimates which were verified through our Finance Manager as well as outside finance and legal counsel. Based on that commitment for assessed value and the project as cash flow within the time period required in addition to that and outside of that one of the reasons the Council chose to move forward in taking a closer look at this amendment is this proposed development would offer some alternative revenue sources to the City that they don't have right now. Approximately \$150,000 a year in additional hotel room tax fees. The fee that you are referring to is actually an agreement that will be entered into between the City and the developer that would guarantee 5% of the gross receipts from the parking revenue that would come back to the City on an annual basis which would net approximately another \$150,000. Outside of the increment that is generated by the increase in property values there would be approximately \$300,000 for their use to offset taxes as part of the general fund. Mr. Degner questioned the \$150,000 from the rental of parking spaces. Mr. Seymour confirmed it was estimated at approximately \$150,000 per year. Mr. Degner stated that was a long way from \$4 million that he thought would originally be covered by the rental of parking spaces. Mr. Seymour explained the \$4.5 million was being put into the deal as part of the City. The \$300,000 estimates would come back to the City through the development that occurs in addition to the taxes generated by the value on the property. Mr. Degner stated they would be financing City debt at \$4 million for the use of a private property. He would like them to get their own financing because the taxpayers in Oak Creek can't afford another loan.

Mayor Bolender made a second call for comments or concerns.

Mr. Ken Haggerty, 300 E. Jewel Street, expressed concern for the proposed parking lot that would be built behind his house. There would be pollution, noise and lower property values because of the development. He hopes the expenditure of \$4.5 million rings true and clear. He stated it would be \$2074 for every man, woman and child in the City of Oak Creek that they would be going in debt for a developer that could not get financing.

Mayor Bolender made a third and last call for comments or concerns. Hearing

none he closed the public hearing to the floor and opened it to the Commission.

Mayor Bolender explained the group that audits the City of Oak Creek and their TIF Districts and the way we do business, the amount of money we have out, and the debt we owe reported we were in excellent financial shape. Mr. Degner stated he attended that meeting and requested a copy of the audit and was refused by the Finance Director to have the 52 page audit. He only received a few pie charts. Mayor Bolender stated the information was available to the public and the copy he received was the same copy anyone could receive. Mr. Degner stated it was only 6 pages and not the entire report. Mayor Bolender stated the financial condition of the City was outstanding and any city in Milwaukee County would be happy to have the condition they are currently in. It is disheartening to hear the doomsday talk. The City is in great financial shape.

Commissioner Dickmann stated he was for this proposal but he would like some additional information. He was glad to see there were some items in the proposal to make sure the City would get the money and make sure the TIF was paid off. He also liked the fact that the City was getting 5% of the gross parking receipts and questioned if that money would go into the gross revenue fund. Mr. Seymour stated that was his understanding. He pointed out Mr. Haggerty spoke with someone at the Department of Revenue that it was his understanding that it would need to be used to pay off the TIF debt. He is confirming that with the legal and financial counsel at this time but they do not think that is the case. Given the fact that it is not a property tax it can be used in such a manner as the City sees fit.

Commissioner Dickmann questioned amendment number 1 to the project plan, second paragraph states the original project authorized \$2 million for development incentives for Bucyrus International and it also states \$1.5 million for other developer incentives. Does that tack onto the \$4.5 million or is that already been used? Mr. Seymour explained he believed it was an additional \$4.5 million beyond that but it was not all available for this particular development.

Commissioner Dickmann also questioned the debt service schedule. Mr. Seymour was not quite sure that was just the way the numbers worked out. There are carrying costs and financing costs involved with the proposal and all of that will be worked out as part of the development agreement which spells out the guarantees and the remedies should there be a default. The City needs to safeguard their interests in the event things don't go as planned so that the exposure to the citizens of this community is minimized. Commissioner Dickmann again commented he was glad that they are putting in some kind of contingencies to make sure that this is covered.

Commissioner Michalski questioned if the hotel tax was included in the chart. Mr. Seymour stated it was not.

Commissioner Bukiewicz questioned Mr. Trapani if the deal would go through without the \$4.5 million. Mr. Trapani stated it would not go through without the money. Commissioner Bukiewicz stated in a poor economy they would have no development without the TID and would forfeit an estimated worth of \$21 million just for the first phase of development. Commissioner Bukiewicz questioned what the total value of the development would be when finished. Mr. Trapani stated it would be in the \$70 million dollar range when it is completed. Commissioner Bukiewicz stated they should not throw away \$70 million dollars in taxable property because they weren't willing to invest \$4.5 million into vacant land that should be developed. The demographics chose Oak Creek and they have airport accessibility and he does not see where this would be a poor investment. They are going to pick up a 24" stormwater sewer in an area that desperately needs it and the residents have complained about flooding. He understands that nobody wants this in their backyard but they have made every effort to berm it and alleviate the site problems they would have with the neighbors.

Mayor Bolender commented Milwaukee County Airport is the third fastest growing airport in the world. He was glad they were putting the hotels in because if they don't get in now with the airport growing they would look very foolish.

Commissioner Dickmann moved that the Plan Commission adopts Resolution No. 2011-02 amending the Project Plan for Tax Increment Financing (TIF) District No. 10.

Commissioner Michalski seconds. Roll call, all voted aye. The motion to approve carries.

Plan Review – Johnstone Supply, Inc.
6890 S. Howell Avenue
Tax Key No.: 733-9008

Mr. Fortin explained to the Commission the applicant was requesting approval of a 23,950 square foot building for Johnstone Supply, a national HVAC and appliance part distributor. The building will be constructed of grey-toned cmu block, glass, and blue metal accent panels. The rear elevation will be metal wall panels but will not be visible from the street. The building meets the requirement that 75% of the visible perimeter be finished with glass, brick or decorative masonry materials. Additionally this building meets all of the height, setback, and lot coverage requirements of the B-4, Highway Business zoning district.

Mr. Kevin Wahlgren of Wahlgren Schwenn commented Johnstone has a facility on the northwest side of Milwaukee and in Waukesha and they have been looking to expand in the Oak Creek area. They have rented a temporary facility on S. 13th Street and are looking to open it in the next month. They are obviously very serious about coming to Oak Creek. This building represents quite and

investment on their part, it is a much more aggressive architectural design than their existing facilities. The second floor will primarily house training and give them the ability for continued training for their customer's technical people. The site is unique because the northern entrance is the main entrance to Yellow Freight and they will utilize that access drive.

Commissioner Dickmann questioned if this was commercial only or commercial and retail sales. Mr. Paul Chawla, Johnstone Supply stated they do very little retail, mostly commercial sales.

Commissioner Bukiewicz questioned which direction the two loading docks would be facing. Mr. Wahlgren stated they would be facing north.

Mayor Bolender questioned how many employees they would have. Mr. Chawla explained they would start off very small and eventually they wanted to expand another 20,000 square feet and make this building their distribution center for the entire Milwaukee market. In about five years they would have 20 or 25 employees. In the next couple years they would have a max of about 8.

Commissioner Bukiewicz questioned if there were any issues with the Fire Department. Lieutenant Steve Jendusa stated they have met all of the requirements for the Fire Department.

Commissioner Michalski questioned what was just north of the site. Mr. Wahlgren stated it was the Kuehne Landscaping Company.

Commissioner Dickmann questioned if they would have rooftop HVAC equipment and if so how would they screen the units. Mr. Wahlgren explained they would not be utilizing traditional rooftop equipment because of the unique position they are in they are going to be testing some of the different equipment. There will be some residential scale condensing units on the lower of the two roofs and screened by the upper roof mast. They will not be the traditional 10' x 8' x 6' units.

Commissioner Johnston questioned if signs were part of this approval or if they would be returning at a later date. Mr. Fortin stated signs could be approved at staff level for this development. They are proposing one wall sign and one monument sign but the details were not complete yet.

Commissioner Bukiewicz moved that the Plan Commission approve the site, building and landscaping plans for Johnstone Supply, Inc., located at 6890 S. Howell Avenue, subject to the following conditions:

1. All building and fire codes being met.
2. That the final site grading, drainage, and stormwater management plans are reviewed and approved by the Engineering Department prior

- to the issuance of building permits.
3. That the final site utility plans are approved by the Water & Sewer Utility prior to the issuance of building permits.
 4. The final landscaping plan shall be approved by the City Forester and Department of Community Development prior to the issuance of building permits.
 5. That the final site lighting plan is approved by the Electrical Inspector prior to the issuance of building permits.
 6. That a development agreement is entered into between the developer and the City for the required public sidewalk.

Commissioner Michalski seconds. Roll call, all voted aye. The motion to approve carries.

CSM – Roman and Susan Lewandowski Trust
6300 S. 27th Street & 2541, 2419, and 2401 E. College Avenue
Tax Key Nos.: 715-992, 715-993, 715-9001, and 715-9000

Mr. Fortin explained to the Commission the applicant was requesting approval of a certified survey map that would re-draw the property lines at 6300 S. 27th Street and 2541, 2419, and 2401 E. College Avenue and create two parcels in the B-2, Community Business zoning district. Lot 1 will contain the PDQ gas station and convenience store and Lot 2 will be vacant. Lots in the B-2, Community Business District do not have a minimum lot area; they are only required to produce “sufficient area and width for the principal structures and its accessory structures, off-street parking and loading areas, and required setbacks.” Lot 1 meets these requirements for the existing PDQ development and any future development on Lot 2 will need to meet the B-2, Community Business zoning requirements.

Commissioner Michalski questioned if they meet the 30% requirement. Mr. Fortin explained as it exists at this time they do meet the requirement but under the current proposal the PDQ site would only have 22% greenspace. Commissioner Michalski questioned if there was a way they could meet the requirements. Mr. Fortin explained they could meet the requirement by trimming off a portion of Lot 2 for the PDQ site on Lot 1. The reason for the proposed lot lines was because of a significant change in the grade.

Commissioner Chandler requested the reasoning behind the separation of the lots and the placement of the proposed lot lines. Mr. Tom Kettler, with M & I Trust Co., explained the purpose of trying to divide this as proposed was the separating line between the lots was an easement roadway and a retaining wall. The physical greenspace that was going to end up on lot 2 really was irrelevant to lot 1 because they would be separated by the easement. From a practical standpoint to create the additional greenspace would be an orphan lot. It would not be serviceable to the PDQ and in fact PDQ does not lease that portion at all.

They do have a buyer that would like to purchase the entire lot 2 and they would prefer to have the entire parcel as proposed.

Commissioner Dickmann commented when they agreed to the original PDQ site the idea was that it would only be approved because they would have the 30% because they were able to use the whole piece of land. Originally he was going request they stick with the 22% greenspace because PDQ has lived up to what they said and are maintaining the site and keeping it attractive. He believes it is better off to be with the other parcel. He could live with the 22% because PDQ does a nice job of maintaining their property.

Mayor Bolender stated he did not have a problem with the 22% greenspace.

Commissioner Correll commented they made an error in not holding PDQ to 30% on their usable land. They made a mistake not making a decision at that time and he would like to leave the PDQ site with the 22%.

Commissioner Johnston questioned if the applicant would be willing to possibly trade that and go with a 38% requirement for greenspace on the remaining lot 2. Mr. Kettler stated without having the buyer present to answer that he did not see what the advantage would be to agreeing to that condition.

Commissioner Bukiewicz stated he could live with the 22% greenspace because they do a nice job of maintaining the site. There are significant water issues in the area and they do have some significant flooding in the mobile home parks. They will be in for a lot of water problems if they start changing the grade. Mr. Kettler stated it would be easier to develop with the entire greenspace available rather than having an orphan lot as part of the parcel.

Mr. Fortin reminded the Plan Commission if they chose to grant the variation to the greenspace they would need a $\frac{3}{4}$ majority of the Commissioners present.

Commissioner Dickmann moved that the Plan Commission recommend to the Common Council that the certified survey map for the property at 6300 S. 27th Street be approved, subject to the following conditions:

1. That any technical corrections are made prior to recording.
2. That a variance be granted allowing the amount of greenspace on Lot 1 to be reduced to 22%.

Commissioner Correll seconds. Roll call, all voted aye. The motion to approve carries.

Plan Commission Discussion – Comprehensive Plan Update

Mr. Fortin explained to the Commission at the April 26, 2011 meeting the Plan

Commission determined that it would act as the steering committee for the Comprehensive Plan update that the City is working on in 2011. They have been waiting for the new 2010 census data to arrive and it is anticipated it will be available by the end of summer. They would like to schedule a Community Visioning workshop in the meantime to get the public involved.

After a short discussion it was decided they would hold this workshop in September.

Commissioner Carrillo moved to adjourn. Commissioner Michalski seconds. Roll call, all voted aye. The meeting was adjourned at 7:45 p.m.