

VILLAGE OF GRAFTON

COMMUNITY DEVELOPMENT AUTHORITY MEETING MINUTES

JANUARY 6, 2010

The Community Development Authority meeting was called to order by Chair John Gassert at 6:15 p.m.

CDA members present: John Gassert, Roger Kirgues, Trustee Jim Grant, Alan Kletti, Trustee Ron LaPean and Dan McKelvey.

Absent: Sharon Walbrun.

Staff/Officials present: Village Administrator Darrell Hofland, Director of Planning and Development Michael Rambousek, Village President Jim Brunnuell, and Village Clerk Teri Dylak

MINUTES

Motion by Trustee Grant, seconded by Dan McKelvey, to approve the minutes of the November 4, 2009 Community Development Authority meeting, as presented. Approved unanimously.

It was the consensus of the members to move agenda item 12 to persons requesting to be heard due to attendance by tenants of the Grafton Village Center.

HEAR PERSONS REQUESTING TO BE HEARD

St. Paul Lutheran Church – Contribution request of TID No. 3 for railroad pedestrian crossing project associated with Providence Place

CDA member Alan Kletti indicated he would be discussing this matter as a member of St. Paul Lutheran Church Building Committee and recused himself as a member of the CDA.

Al Kohlwey, Rich Musbach and Brian Behrens, representing the Building Committee for the Providence Place project, were present to review a request for CDA assistance with the costs associated with the construction of a pedestrian path across the railroad tracks. The crossing would connect the Providence Place development with Bridge Street and provide pedestrian friendly access to the downtown.

Mr. Kletti informed the CDA that the Providence Place project is coming along well. Whenever possible, the project is being built by local contractors and is being paid for by funds borrowed from Port Washington State Bank. In addition, the church has received interest from several potential tenants for the project. The project consists of 40 residential units.

To date, Providence Place has paid \$314,644 in fees to the Village. It is the consensus of the Building Committee that the railroad crossing would be beneficial to the entire downtown area. The estimated cost of the pedestrian crossing is \$30,000. Based on the overall benefit of the crossing to the downtown, the Committee is requesting the CDA consider charging the cost of the crossing to Tax Incremental Financing District (TID) No. 3.

Trustee member Grant questioned if the \$30,000 cost of the pedestrian crossing was included in the original budget for the project. Mr. Kletti responded yes.

Rich Musbach commented that the foot path was recommended by the Village of Grafton to provide better pedestrian access to the downtown. The railroad has no objection to the path. Mr. Musbach stated that the pedestrian crossing will provide more benefit to the Village than to the residents of Providence Place. The Committee is looking for an off-set of the cost by the Village since the Village directly benefits from the project.

Roger Kirgues stated that he would like to see a formal cost estimate and a rendering of proposed pathway prior to making a decision on this request.

Trustee Grant questioned if any State or Federal grants are available for this project. Village Administrator Hofland responded that he will research this possibility and report back to the CDA at a future meeting. Because the project is on railroad property funding options may be available.

Trustee LaPean agreed that he would like to see renderings of the project and a cost estimate prior to making a decision on providing Village funding for the project.

Director of Planning and Development Michael Rambousek commented that originally Providence Place agreed to pay the entire project costs.

Chair Gassert questioned if all of the path would be on private property. Mr. Musbach responded that the path would start on the west side of the Providence Place property, cross the railroad tracks, and connect with the Bridge Street sidewalk.

Mr. Kirgues stated that in addition to a concept plan and cost estimate, he would like a recommendation from Village staff on the proposal.

This matter will be discussed at a future meeting upon submittal of the project plans and cost estimates.

Trustee Grant questioned what will prevent students from St. Paul Lutheran School from using the pedestrian crossing to shorten their path from the school. Mr. Musbach responded that students have been using this area for years and have created a self-

made path through the area. Trustee Grant questioned if the Village has any liability issues to be concerned with on the construction of this pathway.

Mr. Musbach commented that Providence Place was under the assumption that the Village of Grafton wanted the pathway connection. If there is a liability concern and it is not needed; Providence Place has no problem removing the pathway from the project.

Director Rambousek indicated that the Plan Commission requested the inclusion of the pedestrian connection. Administrator Hofland commented that the railroad is not requiring any pedestrian signals at this crossing location.

It was the consensus of the members that they would like to be provided with the minutes from the Plan Commission discussion on the inclusion of the pathway in the Providence Place project.

Staff will research this matter and provide additional information for review at a future CDA meeting.

CONSIDERATION OF PARKING LEASE FOR GRAFTON VILLAGE CENTER TENANTS

Director Rambousek informed the members that he has received a request from several tenants in the Grafton Village Center to table action on the Parking Lease Agreement to allow the tenants to attend a future meeting to discuss the matter.

Motion by Trustee LaPean, seconded by Roger Kirgues, to table action on the Grafton Village Center Parking Lease Agreement to a future meeting.
Approved unanimously.

Kris Steeno, one of the owners of Sweet Trio, informed the members that their business had a good holiday season in 2009. Mrs. Steeno commented that walk-in traffic is down considerably which is being attributed to a lack of parking in the Village Center parking lot. This is an old issue that has become a continuing problem. Last year a number of tenants paid for restricted parking signage to provide customers with better access to the businesses in the shopping area. Unfortunately, people do not adhere to the restricted parking requirements and several businesses have been forced to take on extra costs to police the parking area.

Mrs. Steeno stated that she received a number of complaints during the holiday season regarding parking problems. She indicated that at 5:00 p.m. foot traffic into the business stops because of a lack of parking. The main problem appears to be the Milwaukee Ale House, which gets busier in the evening hours. Jim McCabe has tried to help by asking his employees to park in the parking lot north of Washington Street; however, they do not always do so.

Mrs. Steeno commented that they have heard that the Village is not pursuing the purchase of the Kreutzer property for an additional parking lot. She also stated that she was told that an offer to purchase was submitted to the owners and rescinded before they could act on the matter.

Chair Gassert indicated that the CDA has been working diligently to provide additional parking in the downtown. Administrator Hofland stated that he has been in contact with the Kreutzer family on a regular basis and they have indicated that they are not ready to sell. In addition, no written offer has ever been made to purchase the Kreutzer property.

Mrs. Steeno asked if there is anything else that can be done to provide additional parking in this area.

Administrator Hofland responded that the Village included funds in the 2010 budget for site acquisition and parking.

Trustee LaPean questioned if acquiring the Kreutzer property for parking will eliminate parking issue in this area. Administrator Hofland responded that it would be a benefit to the downtown to create parking on this site but will not completely eliminate parking concerns in the downtown.

Alan Kletti stated that it does not appear that the parking lot north of Washington Street (STH 60) is being used to its capacity.

Trustee Grant stated that, in the summer of 2010, the Village will be installing a Hawks Pedestrian Crossing system to provide pedestrians with a safer crossing lane to get from the parking lot to the businesses south of STH 60.

The members briefly discussed requiring employees of the downtown businesses to park in designated area. This matter was reviewed at a past CDA meeting with no action taken at that time. The Downtown Business Association was against the regulation of employee parking.

Trustee Grant commented that he has been in this area during peak business times and the farthest he has had to walk is about 1.5 blocks. He indicated that the Village may want to implement a higher fine for parking in restricted parking area. This matter will be placed on a future Public Safety Committee agenda for review.

Mrs. Steeno requested that the tenants of the Village Center be kept updated on any progress on the acquisition of the Kreutzer property or other parking additions.

CONSIDERATION OF A SIGN GRANT FOR THE BRIDGE INN LOCATED AT 1216-1218 BRIDGE STREET

Bill Gruetzmacher, owner of the Bridge Inn, is requesting a sign grant in the amount of \$1,000 for two new signs for the Bridge Inn establishment located at 1216-18 Bridge

Street. The first sign is an oval wall sign that will be located on the east building facade and will read "The Bridge". The sign is proposed to include an actual graphic of the Bridge Street Bridge. The second sign is an oval perpendicular sign that hangs over the front of the south building elevation. This sign, in addition to the graphics, includes a neon "open" sign. This portion of the sign does not meet the requirements of the sign design guidelines for the downtown.

Both signs will be of a plastic injection mold design which provides a three-dimensional appearance. The signs will be externally lit. The total cost of the signs will exceed \$4,000.

Director Rambousek indicated that he is in favor of both signs, with the exception of the neon "open" portion of the sign on the front building elevation. This type of sign is allowed in the window of the establishment pursuant to the sign code and is not necessary on the hanging sign.

Motion by Trustee Grant, seconded by Trustee LaPean, to approve a \$1,000 matching sign grant for the Bridge Inn located at 1216-18 Bridge Street for the two signs proposed, subject to the "open" neon sign being removed from the front hanging perpendicular sign.

Mr. Gruetzmacher indicated that he has agreed to remove the "open" neon sign inclusion.

Chair Gassert commented that the wall sign on the building appears to be rather large. Director Rambousek indicated that the sign meets the requirements of the sign code. The sign will have a black border and is approximately 4 feet by 6 feet in size.

The motion to approve the \$1,000 matching sign grant for the Bridge Inn, subject to the conditions outlined herein was approved unanimously.

Mr. Gruetzmacher indicated that the new signs will be in place within a year. The grant funds are not released until the project is complete.

CONSIDERATION OF AN EASEMENT MODIFICATION ON VILLAGE OF GRAFTON PROPERTY LOCATED EAST OF BRIDGE INN AT 1216-1218 BRIDGE STREET

Director of Planning Michael Rambousek reviewed a modified easement for the Bridge Inn, 1216-1218 Bridge Street. He indicated that Village Engineer Dave Murphy has reviewed the proposed easement modification for the relocated driveway apron. Mr. Murphy has indicated that, due to the proximity of entrance to the intersection of 13th Avenue and Bridge Street, he is against the location of the new entrance at the suggested Village parking lot. Mr. Murphy advised against locating any driveway within 25 feet of an intersection; however, is willing to work with the owner on this matter.

Mr. Gruetzmacher indicated that he would like to be able to contract the work himself, under Village review and guidelines. Mr. Gruetzmacher indicated that the relocation of the easement area further away from the building will provide a safer access area.

CDA members reviewed the potential cost to remove the existing entrance and create the new site entrance. With all of the project components, the approximate cost is \$11,450.

Motion by Trustee Grant, seconded by Dan McKelvey, to approve the request by Bill Gruetzmacher, owner of the Bridge Inn, located at 1216-1218 Bridge Street, to eliminate the 20 foot easement controlled by the CDA contingent upon the owners of the Bridge Inn obtaining Plan Commission approval of an enclosed patio structure, resurveying the affected properties and obtaining Plan Commission approval, transferring 6 feet on the east side of the 1216-1218 Bridge Street property to the adjoining property owned by the CDA, reimbursing the Village for actual related costs incurred in removing existing and installing new driveways, and installing landscaping materials in accordance with a plan that is acceptable to the Director of Planning and Development. Mr. Gruetzmacher shall be allowed to contract this project utilizing Village guidelines and with Village review of the project. Approved unanimously.

CONVENE TO CLOSED SESSION

Bob Zellmer, owner of the former lumberyard site was present. He suggested that the Village may want to consider utilizing the site for additional parking in the downtown. The Village could purchase the property and add it to the adjacent Village owned properties on Eleventh Avenue. Mr. Zellmer indicated that, if the purchase price is right, he would be willing to make the site development ready.

Motion by Trustee Grant, seconded by Trustee LaPean, to convene to closed session, at 7:11 p.m., pursuant to Wisconsin Statutes 19.85(1)(e) for real estate and competitive bargaining matters (sale of Grafton Hotel and related development agreement, purchase of property for redevelopment purposes, and other redevelopment efforts). Approved unanimously by roll call vote.

A closed session of approximately 1 hour and 10 minutes was held. During the closed session the CDA reviewed an amendment to the Grafton Hotel development agreement and a possible acquisition of land (relating to the Lumberyard redevelopment site) for downtown redevelopment purposes.

RE-CONVENE TO OPEN SESSION AND THE REGULAR ORDER OF BUSINESS

Motion by Trustee Grant, seconded by Roger Kirgues, to re-convene to open session and the regular order of business, at 8:20 p.m. The

members reserved the right to re-convene to closed session later in the meeting, if deemed necessary. Approved unanimously by roll call vote.

CONSIDERATION FOR TWO 15 MINUTES LOADING/UNLOADING ZONE BY THE GRAFTON HOTEL DEVELOPMENT GROUP TO BE LOCATED IN FRONT OF THE GRAFTON HOTEL PROPERTY AT 1312 WISCONSIN AVENUE

Director Rambousek indicated that Mr. Paul Rushing and Mr. Jim Read, developers of the former Grafton Hotel site, are requesting the dedication of two 15-minute parking spaces in front of the Grafton Hotel property located at 1312 Wisconsin Avenue. The 15 minute spaces would be used by a prospective first floor restaurant tenant for loading/unloading of stock. The spaces would be located on the east side of Wisconsin Avenue, south of the main existing building entrance.

As background, Director Rambousek indicated that in 2007, the CDA recommended approval of a similar request by the Paramount Restaurant. The Paramount Restaurant was allowed one 15 minute parking space on Bridge Street for valet purposes. Following review by the Public Safety Committee, the Village Board approved the request. As with the previous request, this matter will need to be reviewed by the Public Safety Committee with final action by the Village Board.

Mr. Rambousek indicated that based on the past action, precedence has been set based upon the type of use (restaurant) and the number of allowed spaces designated with a limitation of one.

Motion by Al Kletti, seconded by Roger Kirgues, to forward this matter to the Public Safety Committee for review and a favorable recommendation to the Village Board for the approval for one 15-minute loading/unloading space to be used by the restaurant that is to occupy the former Grafton Hotel building located at 1312 Wisconsin Avenue.

Director Rambousek informed the members that should the restaurant space be converted to a residential use, the 15 minute parking area would be eliminated.

The members briefly discussed the proposal and questioned if one space will be large enough for larger delivery vehicles. Director Rambousek responded that the majority of the deliveries to the establishment are anticipated to be made by a van or straight truck.

Trustee Grant, Chair of the Public Safety Committee, requested that this item be added to the January Public Safety Committee meeting agenda.

The motion to forward this matter to the Public Safety Committee for review and a favorable recommendation to the Village Board for the approval for one 15-minute loading/unloading space to be used by the restaurant that is to occupy the former Grafton Hotel building located at 1312 Wisconsin Avenue, was approved 5-1 (R. LaPean-nay).

CONSIDERATION OF AN AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR THE PROPERTY LOCATED AT 1312 WISCONSIN AVENUE (FORMER GRAFTON HOTEL)

Director Rambousek briefly reviewed a revised site plan layout for the Grafton Hotel renovation project. He stated that the original plan included a total of 22 residential units. The plan has been modified, based on staff concerns with parking, to a total of 18 units. The plan include 14 one bedroom and 4 two bedroom units which will require the allocation of 29 parking spaces.

In addition, the potential restaurant tenant has requested a minimum of 8 dedicated parking spaces on site. This brings the total available parking spaces to 37. Mr. Rushing also identified that that the restaurant is requesting an additional driveway curb cut along Wisconsin Avenue, which will eliminate 2 street parking stalls.

Developer Paul Rushing was present to review the project amendments. He stated that they have worked diligently on this project to maximize the site potential. The building configuration was changed to provide additional parking and green space. He stated that commercial portion of the project was relocated to the south end of the building to provide better access and eliminate the grade changes on the north end of the site. The potential commercial tenant, who is just about ready to make a final commitment, is looking for parking visibility, a walk up food service window and an outdoor seating area. The business has another operation and is looking forward to starting a new venture in Grafton.

Mr. Rushing informed the members that they are working on refining the project costs. They have been unable to secure private financing for the project and are working on an FHA 220 loan submittal package. Mr. Rushing also stated that the FHA 220 program has a number of "soft costs" which has added costs to the project. A revised project proforma is in process.

The construction cost for this project was originally estimated at approximately \$1.3 million. Project costs have risen to approximately \$1.8 million with all of the ancillary items. Mr. Rushing identified that they are still pursuing historic tax credits for this project; however, they cannot rely on them at this point.

Mr. Rushing is asking the CDA to maintain the original development agreement incentive amount of \$360,000. He anticipates that if the financing through FHA is approved, the project could start construction in April or May.

Village Administrator Hofland summarized recommended changes to the Development Agreement for this project which were discussed in closed session earlier this evening. The original agreement required closing on the sale of the property by December 31, 2009. This would have placed the property back on the tax roll for 2010. Because the sale did not occur as required, the property will remain tax exempt for 2010.

Administrator Hofland is recommending that the developer incentive amount be reduced by \$15,000 to cover the amount the Village will not receive in taxes on this property because of the tax exempt status.

Administrator Hofland also stated that the developer is requesting the waiving of the impact fees for the project. He indicated that the municipal code does not have a provision to waive the fees. The only option would be to increase the developer incentive by the amount of the impact fees, or approximately \$36,000. Mr. Hofland indicated that he is not supportive of this request.

The Fire Department has indicated they would like to see the entire building out-fitted with sprinklers; however, the Fire Chief has indicated he would take lead from the State approval and work with the developer on another option.

Mr. Rushing indicated that, at this point in the project, a decrease of \$15,000 in the developer incentive amount will have a major impact on the project with the possibility that the project may not move forward. Mr. Rushing commented that if the project is abandoned, they would be willing to work with another developer on the project. They have really tried to make this project building work, but it has been a significant challenge to make it all work.

Mr. Rushing informed the CDA that Village Staff has worked very hard to try and make this project viable and he commended them for all of their hard work. Unfortunately, it is very difficult to add any additional costs to or lose any funding for this project.

Administrator Hofland stated that while the Director of Planning supports the new curb cut on Wisconsin Avenue, the Police Chief and Director of Public Works/Village Engineer do not recommend approval of the cut. Mr. Rushing stated that the proposed driveway is at the request of the commercial tenant. It is likely that he will change his mind on this project if the driveway is not approved.

Mr. Rushing distributed revised color renderings of the project.

Roger Kirgues commented that he understands that the project has financial limitations; however, the Village has an obligation to the taxpayers of the community. Mr. Kirgues would like to see this project move forward; unfortunately, Village funds are also limited.

Trustee Grant agreed but stated that the project would be an asset to the downtown and the Village.

Mr. Rushing commented that the question at hand is whether or not the Village wants to see this project move forward.

Village President Jim Brunnquell asked if the additional fees and costs associated with the FHA 220 financing program have any bearing on the CDA developer incentive decision.

Administrator Hofland indicated that the financing points are impacting the overall cost of the project. The Village numbers do not change. With the impact fees and the loss of tax revenue, the additional subsidy request of the Village is \$80,000.

Mr. Rushing informed the members that they have agreed to absorb the \$38,000 in impact fees. The main issue is the loss of the \$15,000 in developer incentive due to their failure to close prior to the end of 2009. They are willing to take their chances that the building sprinkler issue can be worked out with the Fire Department.

Motion by Trustee LaPean, seconded by Alan Kletti, to reconvene to closed session, at 9:04 p.m., pursuant to Wisconsin Statutes 19.85(1)(e) for real estate and competitive bargaining matters (sale of Grafton Hotel and related Development Agreement). Approved unanimously by roll call vote.

A reconvened closed session of approximately 6 minutes was held. During this portion of the closed session the CDA reviewed a possible amendment to the Developers Agreement for the Grafton Hotel project.

Motion by Trustee Grant, seconded by Roger Kirgues, to reconvene to open session and the regular order of business, at 9:10 p.m. Approved unanimously by roll call vote.

Village Administrator Hofland identified that the developer has agreed to absorb the \$38,000 in impact fees. Based upon the discussion during the reconvened closed session, the CDA is recommending that the Developers Agreement be amended to retain the developer incentive amount at \$360,000.

Motion Roger Kirgues, seconded by Alan Kletti, to approve the amended Developers Agreement for the Grafton Hotel project, with a developer incentive amount of \$360,000 and reaffirm the requirement that the impact fees be paid by the developer. Approved unanimously.

DISCUSSION AND POSSIBLE RECOMMENDATION REGARDING THE MASTER PLAN FOR LUMBERYARD SITE

Director of Planning and Development Rambousek informed the members that the creation of the Lumberyard Site Master Plan was briefly delayed due to interest by an outside party in the development of the site. The group is no longer interested in developing the site and Staff has decided to move forward with final review of the plan. Mr. Rambousek indicated that he has been working on the master plan for this area for

some time. It is critical that the Plan Commission have a base plan to utilize as a guideline in the event a development comes forward for this area.

Director Rambousek reviewed the proposed Master Plan layout. The site consists of approximately 5.68 acres. The master plan layout includes 84 residential units and 95 residential surface parking spaces. In addition, the plan includes 32,600 square feet of commercial space with 127 commercial on-site parking spaces and 18 on-street parking spaces.

Director Rambousek stated that the plan will be reviewed by the Plan Commission at their January 26 meeting. The CDA will again review the plan at the February 3 CDA meeting. The Plan Commission will hold a public hearing on the plan in February.

Trustee Grant questioned if it is possible to get decibel readings at the 150 foot setback line at the south end of the site adjacent to Pace Industries-EST Company. The Village has a decibel meter and can take readings at this location for future review by the CDA and the Plan Commission.

DISCUSSION OF PROPOSED CHANGES TO THE PUD PLANNED UNIT DEVELOPMENT DISTRICT

Director Rambousek reviewed proposed changes to Section 19.03.0400 Planned Unit Development Districts of the Village of Grafton Zoning Code. He is recommending the removal of several sections regarding permitted, accessory, and conditional uses that are allowed in the PUD District. The uses are also cross-referenced in the Use Table (19.03.0606).

A new section has been added to the PUD District that provides the Plan Commission with the authority to work with developers and select the type of permitted, conditional, and accessory uses that they see fit for a given development as part of a PUD rezoning. This new component will provide the Plan Commission, and ultimately the Village Board with better control over the uses allowed in each PUD district.

As part of the proposed changes, the PUD column in the use table will be eliminated.

Mr. Rambousek stated that a PUD agreement will be completed for each project prior to the matter going to the required public hearing on the rezoning proposal.

There was minimal discussion on the proposed code changes. Mr. Rambousek indicated that this item was presented to the CDA because the CDA is often involved in redevelopment sites that utilize PUD – Planned Unit Development zoning.

OLD BUSINESS

None

NEW BUSINESS

Discussion on future development of Grafton Mill property

There was no discussion on this agenda item by the CDA.

ADJOURN

Motion by Alan Kletti, seconded by Ron LaPean, to adjourn the meeting at 9:24 p.m. Approved unanimously.