



CITY OF BURLINGTON

Administration Department

300 N. Pine Street, Burlington, WI, 53105

(262) 342-1161 – (262) 763-3474 fax

www.burlington-wi.gov

MINUTES COMMUNITY DEVELOPMENT AUTHORITY

April 8, 2014 at 5:30 p.m.

224 E. Jefferson Street

ROLL CALL

The following commissioners were in attendance: Chairman Bil Scherrer, Mayor Bob Miller, Alderman Todd Bauman, Tom Wiemer, Jack Eckola, Jim Spiegelhoff and Judie Lemieux. Also in attendance: City Administrator Kevin Lahner and City Attorney John Bjelajac.

APPROVAL OF MINUTES FROM AUGUST 13, 2013

A motion to approve the minutes from August 13, 2013 was made by Commissioner Miller with a second by Commissioner Weimer. With all in favor, the motion carried.

CITIZEN COMMENTS

None

CONSIDERATION OF OPTIONS FOR PROPERTY LOCATED AT THE INTERSECTION OF DODGE STREET AND E. CHESTNUT STREET

- Chairman Scherrer introduced this item for discussion.
- Bill Stone and Tom Stelling, representing Burlington Downtown Core II, presented an overview of the concept plan for the retail/commercial building. Stelling explained that Burlington Downtown Core II took over the Option to Purchase in 2011, with a two-year extension in 2012. Extensive marketing began in 2011, however with the economic downturn, commercial vacancies, more affordable comparables and ownership/lease issues have created many obstacles in securing tenants for the multi-use building. Stelling requested the commission consider one of two options for Burlington Downtown Core II regarding the future of the project:
 - Option 1: The CDA would sell the land to Burlington Downtown Core II for \$1. Core II will improve and maintain the property, pay property taxes and continue to market the property.
 - Option 2: The CDA extend the Option to Purchase two more years to 2016 and allow Core II to develop a plan for first floor retail with second and third floor residential units.
- Commissioner Eckola questioned if the CDA sold the land for a \$1 could the property be temporarily converted to park land. Stelling stated the gravel would be removed from the lot and the lot would be kept clean. Eckola further stated he doesn't feel the market is going to change anytime soon and is afraid another extension will be requested in 2016.
- Administrator Lahner stated this will be a pragmatic decision for the CDA. If extended, Core II is comprised of local business men that care for the community and will take care of the property. Marketing

and proposals would likely need to involve residential due to the economy. If the CDA retained the property Requests for Proposals would be needed to develop the property.

- Alderman Bauman questioned if a residential proposal had been marketed in the last two years. Stelling stated it has not as there would be many amendments to the design.
- Commissioner Eckola questioned if there is an issue with residential units downtown. Stelling stated the parking structure would need to be utilized and many stalls would be taken up by residents. Commissioner Wiemer questioned what the ramifications would be on parking. Lahner explained that code requires 1.5 parking spaces per apartment. Currently during the day the first floor of the structure is full, the second is half full and the third is typically empty.
- Bill Stone stated the original goal was to have the first floor as medical offices however the economy and Affordable Health Care Act has caused some difficulties finding tenants. Stone further stated the differential between this space and other vacant retail space in the city is roughly \$10/square foot.
- Alderman Bauman questioned if there was retail on the first floor with residential on the second and third would the first remain vacant due to the economy. Stelling stated the city could look into a concept called “live to work” were residents rent the retail space and live in the rear of the unit. He stated this concept has been approved in Milwaukee in the Third Ward. Lahner stated in the case of retail and apartments, typically the apartments will draw in the funding and subsidize the retail space costs. Stelling stated in order to change to retail and apartments the design would need to be altered and 24 units would be the maximum recommended for that corner lot.
- Commissioner Wiemer questioned if a market study has been done to determine the demand for residential units. Stelling stated he asked WHEDA however they said they had not done a study. Lahner stated WHEDA develops a Qualified Allocation Plan (QAP) every two years which is a needs analysis that they base tax credits and funding on. This plan has indicated there is a market for multi-family residences in Burlington. He further stated that it is evident developers are interested in constructing multi-family buildings in the city such as Riverview Village, West Ridge, Fox Crossing and the Springbrook apartment developments.
- Commissioner Eckola questioned if Requests for Proposals (RFP) have been advertised to gauge interest in the development. Lahner stated not at this time however it is an option the commission can explore. Eckola further inquired if the property is sold to Core II would there be any stipulations. Lahner stated there would be an agreement to sell that would state specific requirements and give time tables. The developers would also need to follow zoning code and Plan Commission requirements.
- Chairman Scherrer stated he does not want to go through the process of looking for and getting to know another development group for the project.
- Commissioner Eckola recommended putting together a sale agreement with Burlington Downtown Core II. Scherrer agreed. Lahner and City Attorney Bjelajac stated they will put together an Offer to Sell and bring back to the board for review.
- There was no further discussion.

A motion was made by Commissioner Lemieux with a second by Commissioner Eckola to extend the Offer to Purchase to May 30, 2014 and for the City Attorney to draft an Offer to Purchase with Burlington Downtown Core II. Roll call Aye: Scherrer, Miller, Bauman, Eckola, Lemieux, Spiegelhoff and Wiemer. Roll Call Nay: None. All in favor and the motion carried 7-0.

ADJOURNMENT

A motion was made by Commissioner Lemieux with a second by Commissioner Eckola to adjourn the meeting. With all in favor, the meeting adjourned at 6:17 p.m.

Recording Secretary
Megan E. Watkins
Director of Administrative Services