



Adaptive Reuse & Brownfield Development

Local & State Programs in Practice

Your Peer Presenters



Kelly Nieforth
Community
Development Director



Mark Lyons
Planning Services
Manager

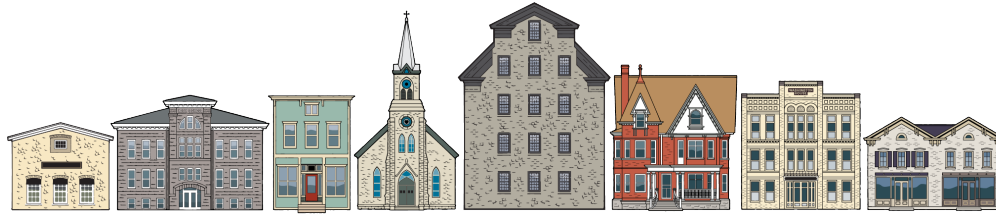


Mikko Hilvo
City Administrator



Aaron White
Community
Development Director





CEDARBURG



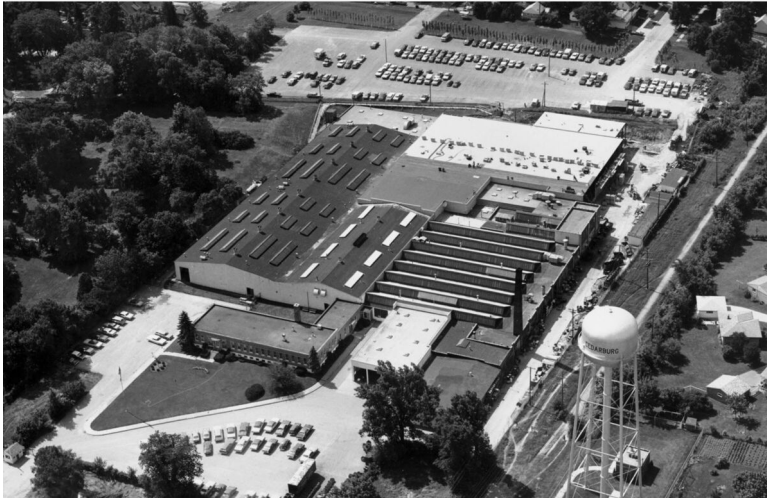
W I S C O N S I N

FOX RUN PROJECT – TID #7

2023

Existing Site

- 12.76 acre parcel in the heart of downtown Cedarburg
- Blighted Industrial Land and Vacant Structure
- Mercury Marine Plant 1951 to 1982
- Wilo Machine last user of site



Proposed Site Plan

- 166 Rental Units in 2 buildings
- 44 Townhomes
- 26 Pocket Homes
- Developer – P2 Development, Saukville, WI





Phases

Phase I – 61
Unit

Apartments
and Start of
Town House
Units

Start (10/22) – Completion (12/23)

Valuation: \$15,200,000

Phase II – 99
Unit

Apartment
and Amenity
Area in center
of building,

Town House Units and Pocket Homes

Start (3/23) – Completion (6/25)

Valuation: \$16,900,000

Phase III –
Balance of
Town House
Units and
Balance of
Pocket Homes

Start (7/25) – Completion (12/26)

Valuation: \$17,200,000



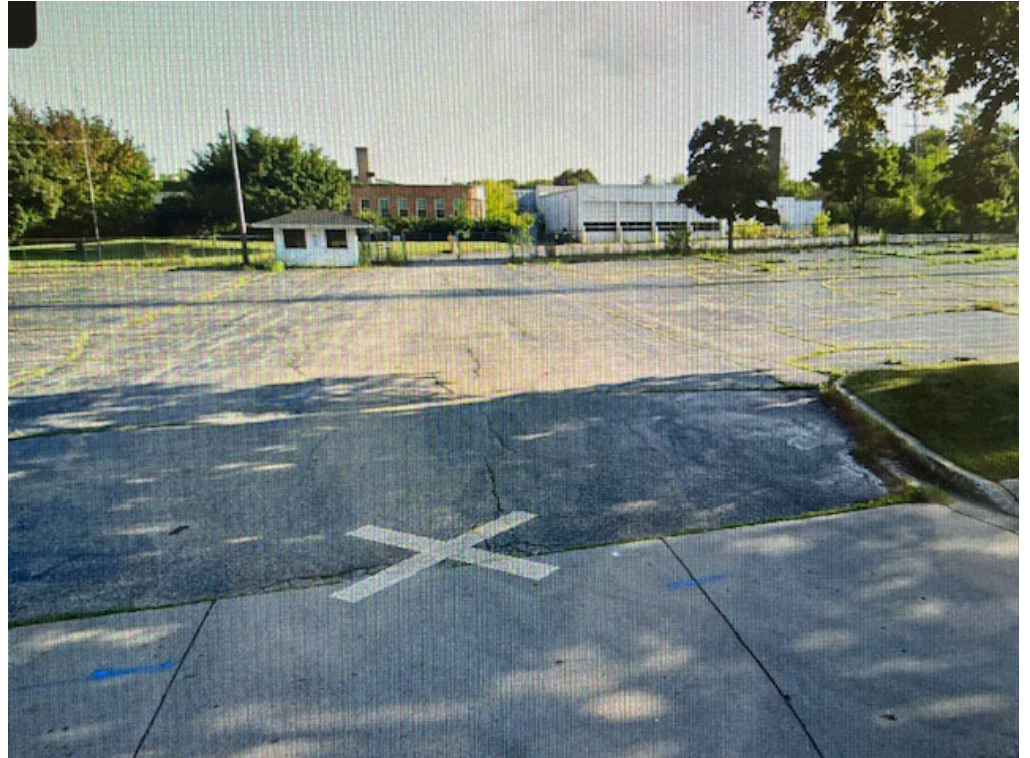


Reason For TID

Blighted Site

Contaminated with VOC's mainly
TCE in bedrock requiring vapor
barriers

Eyesore in the heart of Downtown



TID Agreement with Developer

- Separate from Developers Agreement
- \$13.48M in developer assistance Pay-Go
- \$2.54M for municipal road (G.O. Bonds)
- Payments subject to third party review
- Payments also based on IRR
- The City loan will be paid first prior to payment to developer
- INCREMENT VALUE ESTIMATED AT \$49.3M
- 20 year estimate to pay back all project costs
- Total Estimated Project Cost: \$70M



Revenue

- Impact Fees: \$1,415,744.74
- Building Inspection Fees: \$189,096



- WEDC Grant: \$250,000



Questions?

CITY OF OSHKOSH REDEVELOPMENT PROJECT

Kelly Nieforth, City of Oshkosh, Community Development Director

Mark Lyons, City of Oshkosh, Planning Services Manager

PLANNING FOR GROWTH AND REDEVELOPMENT

▶ Long Term Plans

- ▶ Southshore Redevelopment Plan
- ▶ Riverwalk Plans
- ▶ Imagine Oshkosh - Sawdust District Plan
- ▶ Acquisition started in early 2000's



What We Learned: Do a lot of research and spend time educating your elected officials. Set expectations early!

SOUTHSHORE REDEVELOPMENT PLAN 2003

Southshore Redevelopment District Map 9 - Conceptual Land Use Plan - Main Street to Pioneer Inn Area

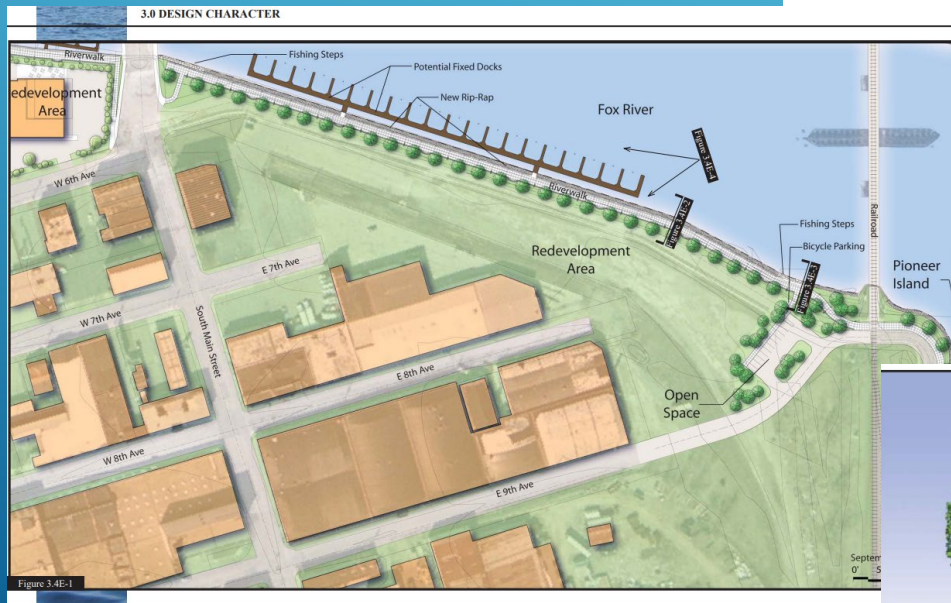


Figure 3.4E-1

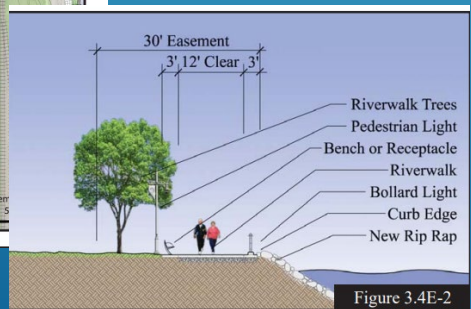
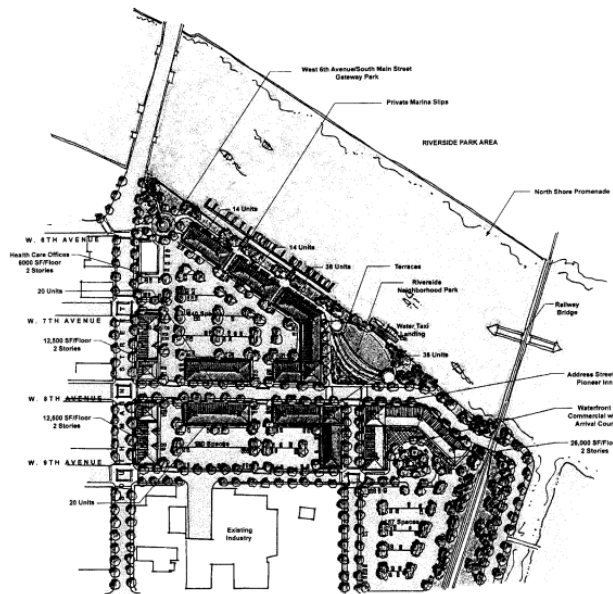
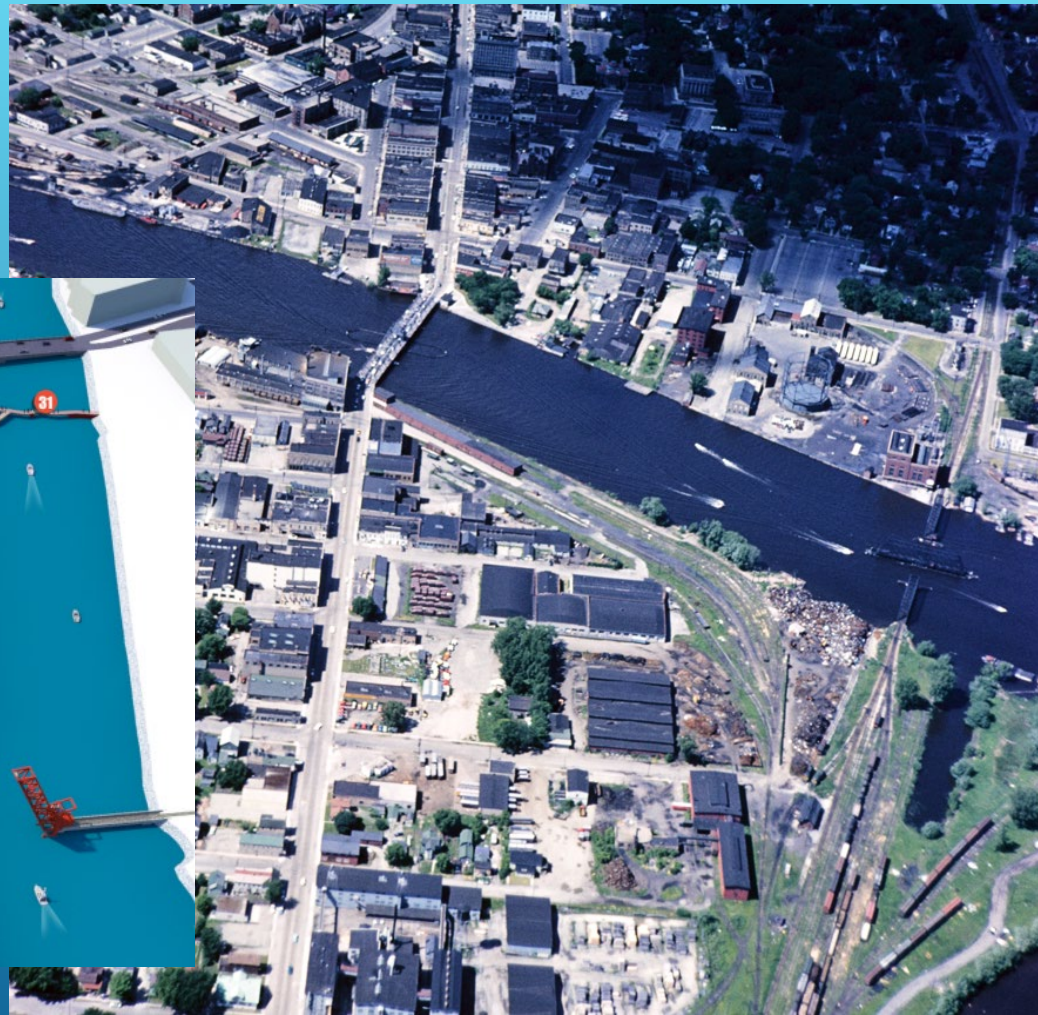


Figure 3.4E-2

RIVERWALK PLAN 2006

IMAGINE OSHKOSH 2017



SAWDUST DISTRICT 2020

SAWDUST DISTRICT UPDATE REDEVELOPMENT PLAN CONCEPTUAL VISUALIZATION

1. Pedestrian and bike access along existing bridge and an under pass connecting the riverwalk.
2. Gateway feature and plaza space announcing the entrance into the Sawdust District
3. Office or mixed use building
4. Townhomes
5. Public plaza and open space
6. Mixed use infill development along Main Street
7. Mixed use development (commercial and restaurants uses on the ground floor with office and residential uses on the upper floors)
8. Office or mixed use building
9. Mixed use development (commercial and entertainment uses on the ground floor with office and residential uses on the upper floors)
10. Parking for mixed use development along Main Street
11. Parking deck for office or mixed use (3 levels)
12. Riverwalk
13. Multi-family development
14. 9th Avenue extension/connection
15. Trailhead and parking
16. Pedestrian bridge
17. Condos
18. Hotel / resort
19. Pioneer plaza and gathering area
20. Existing marina, boat storage, and boat docks
21. Condos
22. Trails, open space, and berm buffering existing rallyard
23. Arena
24. Main Street roadway improvements (using expanded right-of-way)
25. Adjacent residential neighborhood
26. Commercial infill development along Main Street
27. Main Street roadway improvements (using current right-of-way)
28. Commercial infill development along Main Street
29. Multi-family development
30. Condos
31. Townhomes

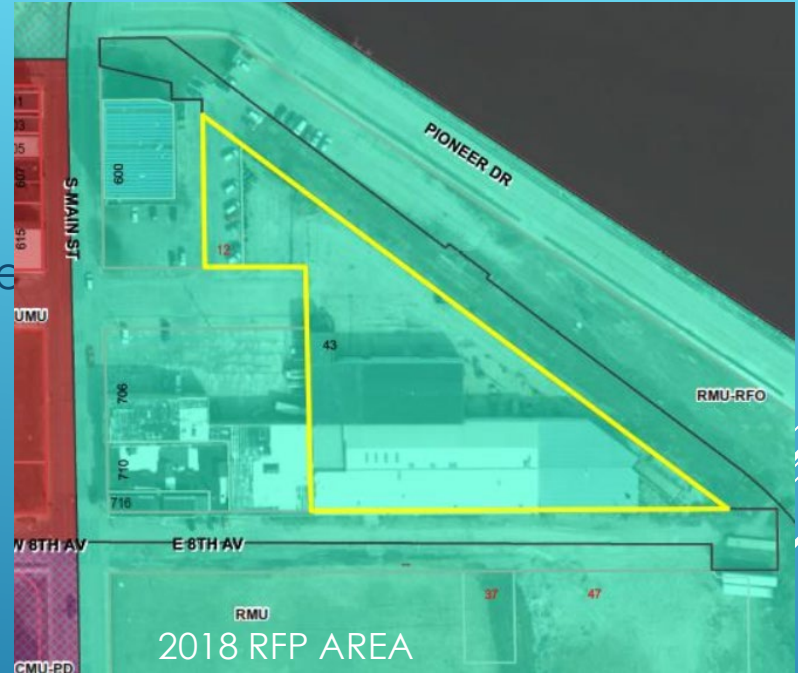


LAND ACQUISITION

- ▶ 20 LONG years to acquire
- ▶ Leased buildings for income
- ▶ Railroad property was most difficult to acquire

When is the site large enough for a redevelopment project?

- ▶ Original Request for Proposal October 2018 ended with no proposals
- ▶ Why?



What We Learned: Always, always, always do a Phase I Environmental Site Assessment (ESA) before acquiring property!

REDEVELOPMENT SITE



FINALLY READY TO REDEVELOP!

- ▶ Request for Proposals sent out in 2021
- ▶ Different types of proposals received
- ▶ Public Input
- ▶ Which one to choose? How did city staff help elected and appointed officials decide?
 - ▶ Score sheet
 - ▶ Recommendations in existing Plans

A Challenge for Us: There may be challenges of balancing local developers and new developers who submit proposals. Loyalty vs Opportunity. How do you choose?

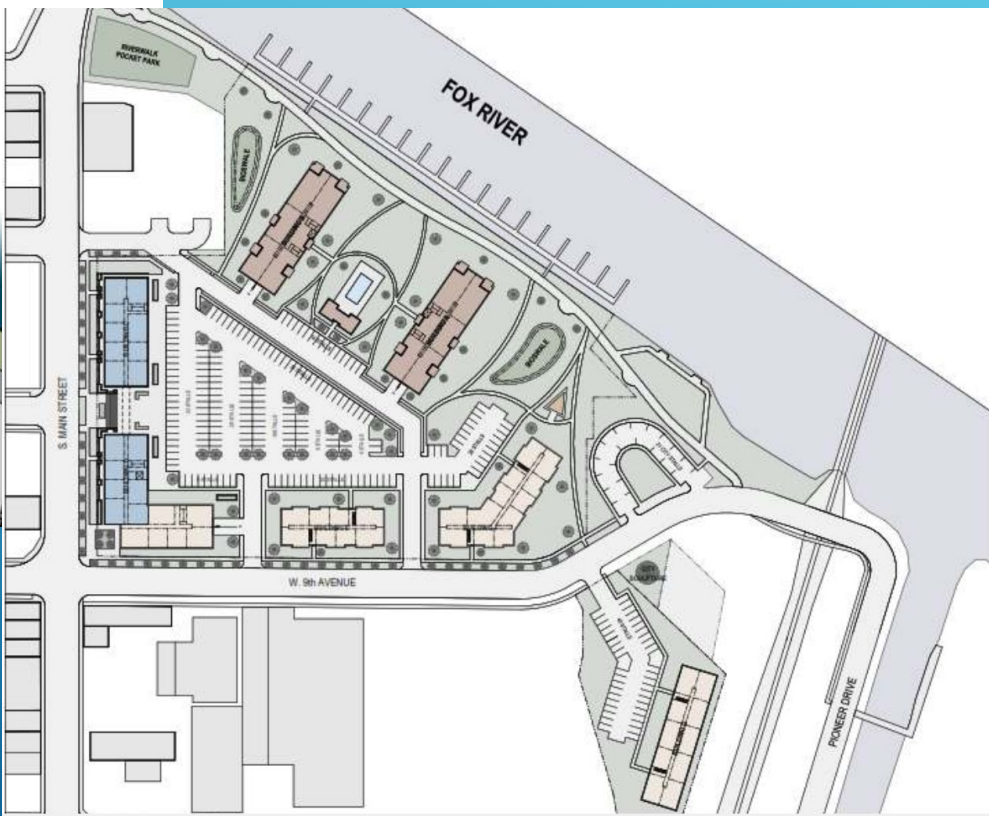
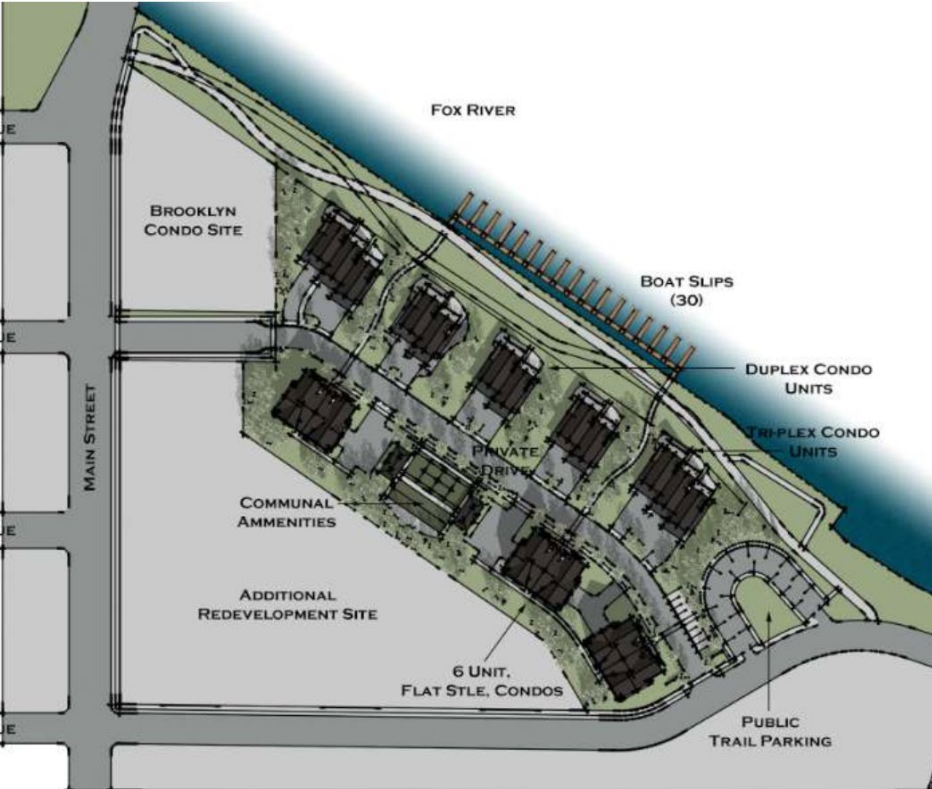


TOUGH DECISIONS

- ▶ Too many other projects going on?
- ▶ Do they have the wherewithal to complete the project?
- ▶ What's their track record?
- ▶ What are other municipalities saying about them?

Developer and Project Name	Type of Development?	# Residential Units & Density	TIF requested?	Estimated Value per City Assessor*
T. Wall The Mills on Main	Mixed use 19,000 sq. ft. of commercial	281-296 units 38 units/acre	90% increment, but not less than \$35,000 per unit \$10,360,000	\$38,026,500
Red Earth Oshkosh Sawdust Apartments	Multi family 0 sq. ft. of commercial	338 units 45 units/acre	80%, 20 years \$10,055,500	\$39,867,800
Alexander & Bishop Real Estate Capital Markets, LLC Riverwalk on the Fox	Mixed Use 14,000-15,000 sq. ft. of commercial	20 townhome units 140 1&2 bedroom units 21 units/acre	\$6,820,000	\$22,542,000
Tadych Investment Partners	Owner-occupied condos 0 sq. ft. of commercial	30 unit condos 7.5 units/acre	75% increment, 20 years	\$22,116,000
Wesenberg, Hess, Dumke, Golden, Hildebrandt River North Development	Mixed Use 18,195 sq. ft. of commercial	34 condos 120 units 18 units/acre	90% of increment for 20 years	\$23,406,100

*Preliminary Value is subject to change once plans are finalized



RIVERFRONT MIXED USE-PLANNED
DEVELOPMENT OVERLAY (RMU-PD)





WE PICKED ONE! NOW THE HARD PART...

- ▶ Land Purchase Agreement
- ▶ Wisconsin DNR Green Team meeting
- ▶ Input on site design from city staff
- ▶ TIF presentation to the Common Council

Something We Do: When we have a complex project starting in the City, we create a timeline for all the approvals needed to complete the project.



UNDERGROUND CHALLENGES

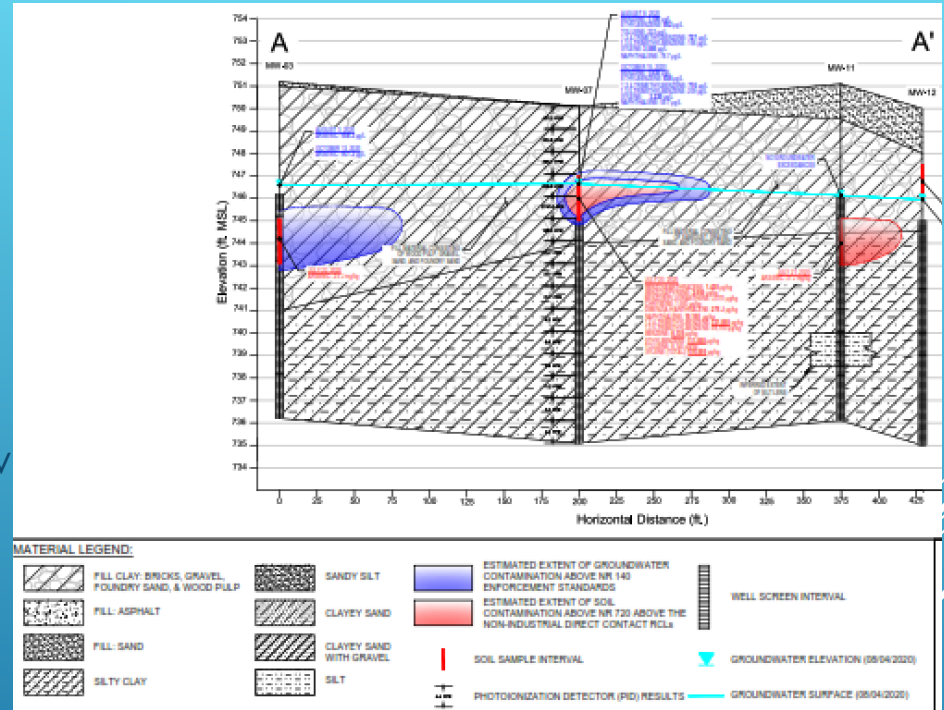
- ▶ Contamination
- ▶ Urban fill
- ▶ Old utilities
- ▶ Very important utilities
- ▶ Lots of parcels
- ▶ So many easements!

What we learned: Keep a spreadsheet of the status of all the different tasks that need to be completed.



CONTAMINATION

- ▶ How do we pay for this?
 - ▶ EPA grant
 - ▶ WEDC grant
 - ▶ WDNR Grant
- ▶ Voluntary Party Liability Exemption (VPLE)
- ▶ Fishing expedition? What should a city allow for site investigation?
- ▶ Can a city ever guarantee a “clean site”? Should the City keep the environmental liability?



What we learned: There needs to be A LOT of communication between the City, the City’s environmental consultant, the developer and the developer’s environmental consultant. Establish who is responsible for what early on in the project and include it in an Agreement!

CITY OF OSHKOSH TIF POLICY

- ▶ Criteria for TIF Assistance- Policy developed in 2012
 - ▶ Private developer equity requirement of at least 15%
 - ▶ No more than 90% of increment generated may be used towards TIF assistance
 - ▶ Payback periods under 15 years will be looked upon favorably
 - ▶ TIF assistance shall not exceed more than 25% of total project costs
 - ▶ Each project supported by TIF assistance must generate enough increment to fund the paygo and any public infrastructure project costs needed for the project
 - ▶ TIF cannot be used for more than 10% of land assembly costs
 - ▶ Internal rate of return shall not exceed 20% with TIF assistance
 - ▶ The project should increase the taxable valuation by over 20%
- 

DEVELOPER TIF ASSISTANCE

Without

Internal Rate of Return (28,386,875)
7.01%

With

Internal Rate of Return (14,844,837)
15.60%

TIF Request- 25% of all project costs

Project: The Mill on Main, LLC	Type of TID:	Blight and Redevelopment
Criteria	Score	
1. Presence of extraordinary development/redevelopment costs such as: a. Remodeling/Rehab/Demo b. Environmental Remediation c. Facility Expansion d. Public Infrastructure	20	20 points if costs are greater than 20% of Fair Market Value (FMV); 15 points if costs are 15-20% of FMV 10 points if costs are 10 % of FMV 5 points if costs are 5% of FMV
2. Project provides direct benefit to distressed areas through blight elimination or redevelopment	20	25 points if property poses a health or community-wide threat; 20 points if property has been declared blighted or is under raze order by the City before the TIF application is submitted; 15 points if property is nonconforming and/or under a repair order; 10 points if property meets the Blight Designation per TIF State Statutes
3. Projects that directly implement specific recommendations of the City's strategic planning documents such as: a. The Comprehensive Plan b. The Downtown Action Plan c. The Riverwalk Plan d. The Vision Report e. Imagine Oshkosh f. Other	10	10 points if project implements a specific recommendation in local planning document; 5 points if project implements a general recommendation in a local planning document;
4. Historic Preservation or rehab of a nationally or locally significant historic structure	0	15 Points if property is landmarked or on National Register; 10 Points if property is contributing or eligible for Register or located in a Historic District; 5 Points if building is over 50 years old
5. Quality of development and overall aesthetics (architectural, site design, landscaping, etc.) beyond that which is minimally required by the Zoning Ordinance	10	5 points if site exceeds architectural design OR landscape requirements by 15% per Zoning Code; 5 BONUS points if BOTH architectural and landscaping requirements exceed 15% per Zoning Code
6. Environmental sustainability impacts such as higher standards of building and site design, materials and energy efficiency: a. LEED certification, Energy Star, etc. b. Use of Green Infrastructure c. Solar or wind energy production	0	5 Points if LEED Certified or 10% of total building energy load provided by solar panels or other on-site renewable sources.
7. Enhance the streetscape and pedestrian experience	2	1 point for each 15% of building frontage ground floor space permanently reserved for retail, restaurants/cafes.
8. Proposed employment potential	10	1 Point for every 5 full-time equivalent jobs created or retained; 5 BONUS points if 50% of the jobs create or retained are above the Oshkosh-Neenah MSA median income level
9. Projects that involve development that is targeted to encourage an inflow of customers from outside the city of that provides services or fill underserved markets in the City	5	5 points if market study shows a gap or leakage for a particular product or service that currently is not offered in the neighborhood or area.
TOTAL SCORE	77	Point Total must be greater than 50 points or Council Waiver is required

ANALYZING LEVEL OF DEVELOPER ASSISTANCE

- ▶ TIF Development Agreement Challenges
 - ▶ Uncertainty of phased approaches
 - ▶ Developer's first project in the City
 - ▶ Multiple parcels and multiple LLC's
 - ▶ VPLE for each phase
 - ▶ Public infrastructure projects costs included in the TIF Project Plan
 - ▶ Needed to get elected officials comfortable with Development Agreement terms so the developer could use the TIF assistance to obtain private financing



What we learned: If the project will be phased, consider a phased TIF Development Agreement with terms that encourage the developer to construct in a timely manner and finish all phases.

WE HAVE A DEAL!

▶ TIF Development Agreement Terms

- ▶ 90% of increment generated- Base Value was \$0
- ▶ 25% of total project costs for all three phases
- ▶ 27 years of Paygo TIF assistance
- ▶ An incentive to complete all three phases of the proposed development with the following terms:
 - ▶ City will have an equity right of \$400,000 if Phase II or III is not completed within 10 years of the Development Agreement execution date. The City may reduce the developer's TIF Paygo payments to recapture the \$400,000 owed to the city.
 - ▶ If Phase II is completed within 5 years, \$200,000 would be reduced from the city's equity right.
 - ▶ If Phase III is completed within 10 years, the remaining \$200,000 would be removed and the developer would not owe the city any funds.
 - ▶ If Phase III is not completed within 10 years, the City would reduce the developer's TIF Paygo payments to recapture the \$200,000 owed to the city.

CITY SUPPORT

- ▶ The City spent millions of dollars to get the site ready for development
 - ▶ Existing TIF funds, Capital Improvement Program (CIP) borrowing, Grants, ARPA funds
 - ▶ Installed a new street
 - ▶ Undergrounded overhead utilities
 - ▶ Constructed a riverwalk
 - ▶ Used grant funds to fund Phase II ESA, Clean Up Plan, VPLE Application and more
 - ▶ Sold the property for \$1



HOW'S IT GOING?

- ▶ Status of the project
 - ▶ City staff keep in communication with the developers
 - ▶ How can you help?
 - ▶ Educating elected officials on developer challenges



What we learned: Keep elected officials updated on the project, no matter if the news is good or bad.

An aerial photograph of a city, likely Chicago, showing a dense residential area with many houses and trees displaying autumn foliage. A large river, the Chicago River, winds through the city. In the background, a large body of water, Lake Michigan, is visible under a clear sky. The text "THANK YOU!" is overlaid in large, white, sans-serif capital letters across the upper left portion of the image.

THANK YOU!

City of Eau Claire

DEVELOPMENT CONCEPTS



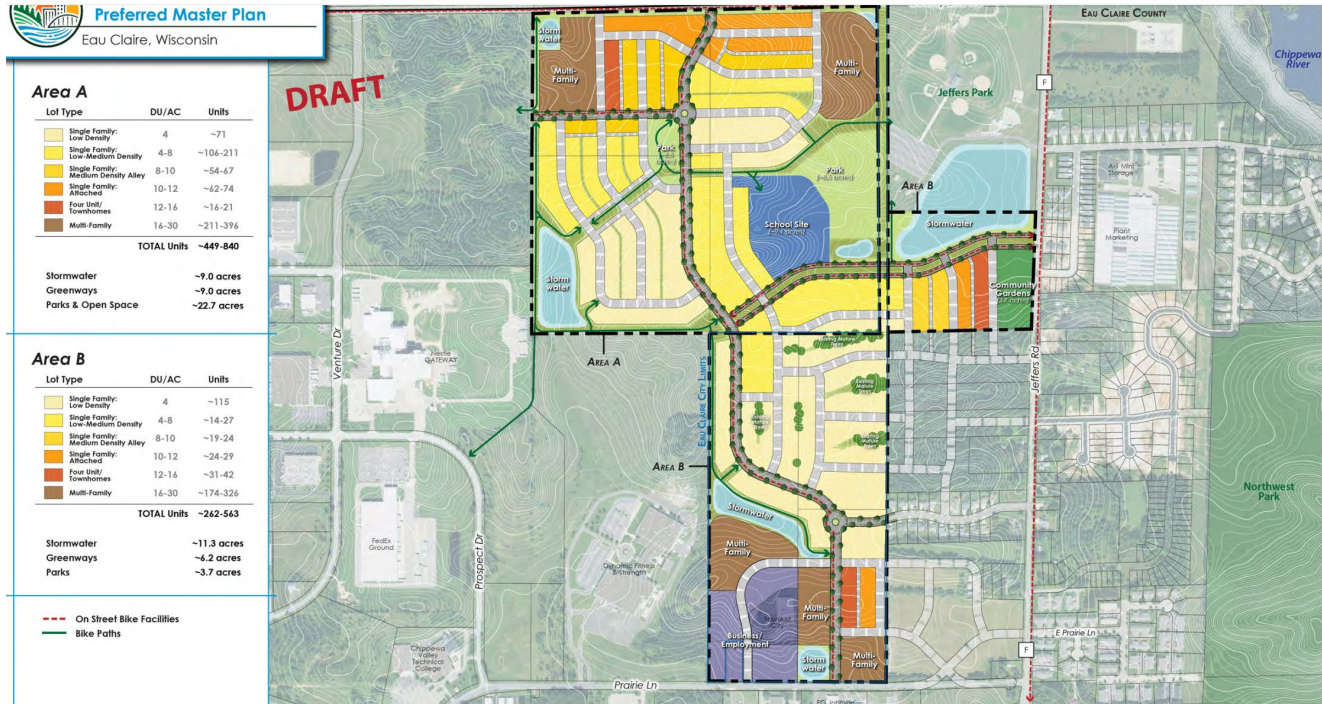
Cannery District



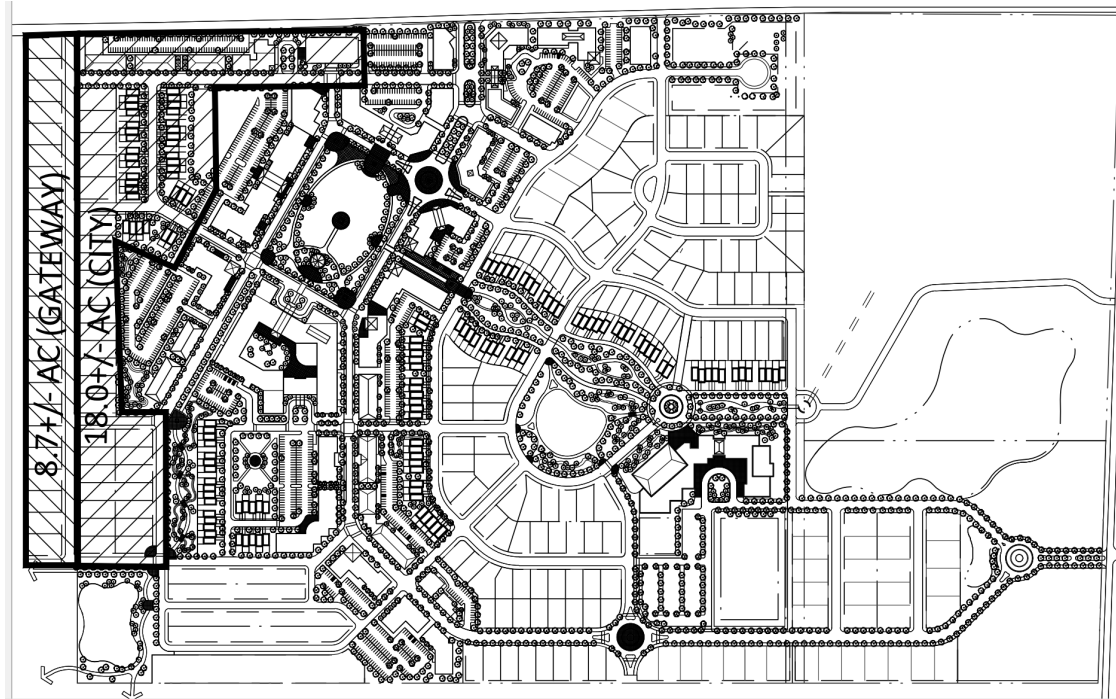
Cannery Redevelopment Plan



Gateway Residential Redevelopment



Gateway Residential-Final Concept



Mall Redevelopment-Current Conditions



Download the Presentation!





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