

**CITY OF OCONOMOWOC
COMMON COUNCIL MEETING**

July 5, 2005

Mayor Sullivan called the meeting to order at approximately 7:30 p.m. and the Clerk confirmed that appropriate meeting notice had been given.

City Attorney, William Chapman, led in the **Pledge of Allegiance**.

Roll Call: Aldermen present – Larsen, Antonneau, Cochrane, Larsen, Jones, Snyder, Morgan and Gross (all present)

Staff in Attendance: Lamp, Sugden, Severson, Langohr, Caughran, Kitsembel, Duffy, Martin, Leidel, Bednarski, Frye, Steinbach, Senfleben, Gard and Attorney Chapman

Minutes of previous meeting (June 21, 2005) – Moved by Ald. Cochrane, seconded by Ald. Jones to approve the minutes of the June 21, 2005 Council meeting, as written. Voice vote carried with no dissenting votes.

Comments and suggestions from citizens – The following people spoke in opposition to the proposed downtown redevelopment plan: Delores M. Johnson, 507 E. Grove St., presented a petition with 78 signatures objecting to the use of TIF money for this project; will cause harm to Fowler Lake with additional stormwater runoff; lack of green space; impact on safety of children attending St. Paul School; Kay Hatch, 229 Pleasant St., developers have not maintained the properties they have acquired and have created a slum; the proposed plan does not comply with the master redevelopment plan; Derek Zwart, 226 Pleasant St., was concerned as to how this has come about, as the CDA was to put together a plan to revitalize downtown and nothing is being done to address the empty storefronts; developers paying more for the properties than their value to push this through; the proposed extension of Silver Lake St. will run right in to his property, he submitted photos; Casey J. Cronin, 128 Woodland Lane, felt that the TIF dollars should be used to enhance/protect the heart of the downtown and the borders should be defined; the City should focus on the four corners area; the lake and landscape should be priority as it draws culture and residential; Ron Schneider 510 Lincoln St., on behalf of St. Paul Church, their members have concerns about the redevelopment area, particularly the closing of St. Paul St.; they would like to see a qualified traffic study done; Dick Pas, 662 Juneau Ave., stated he felt there is a great opportunity for the City to develop the subject area, but the proposed plan is too high, too dense, lacks green space, obstructs view to Fowler Lake, creates traffic problems by closing St. Paul; consider input from the business community and present a proposal that will be more beneficial to them in the long run; Paul Phelps, Oakbrook Studios, opposed the proposed plan due to the scale in relation to other downtown buildings; the City should have control of the project when TIF money is being used; wants the City to succeed, but there are a lot of great buildings that could be renovated; the project is out of character; would be willing to participate any way he can and this is an opportunity to do something very positive; Paul Schultz, Architect, 133 E. Wisconsin Ave., although he felt it could be a great project with many options to bring a better shopping district to the City, he did object to the scale of the buildings and blocking the view of the lake; the project does not address our historic value; he suggested that the buildings, as proposed, need to be looked at more closely.

The following people spoke in support of the proposed downtown redevelopment plan: Tom Klubertanz, 888 Apple Grove Lane, enthusiastically endorsed the plan, as proposed; encouraged City officials to support the project and show leadership; this is our business community and it needs this vision/dream, and a shopping destination; he liked the quality housing it will offer in the downtown and the ability to enjoy our natural resources; we can again make Oconomowoc the Newport of the Midwest and urged City officials to work with the developers and urge this project forward; Susan Hesslink, Maple Ridge Rd., co-owner of the Magnolia shop, stated she and her daughters support the project, as proposed; they decided to bring their business to Oconomowoc because of the friendly atmosphere and the promising future; at this point they are struggling to get customers to come in their door, but see promise and potential and this project could make that happen; we need this project for a successful future for our community; Randall John Rux, 1103 W. Wisconsin Ave., felt the project would rejuvenate our downtown and was in favor of the plan, as proposed; Florence Whalen, 406 W. 3rd St., stated that this has nothing to do with our desire to have more condos, but that there were a number of properties in that block that were for sale. It was the concern of the CDA that the area would end up in a “hodge-podge” development. The proposed plan was drawn up as a result of hiring a firm to do that. The developers had nothing to do with the planning, and the street was part of the downtown plan. In fact, the Master plan closes St. Paul Street entirely. She stated there will be several opportunities for public information and input. Ms. Whalen felt we need to maintain the essence of downtown as we know it, and she is looking to the future. Now, speaking as a member of the CDA, she pointed out that there will be revisions on a project of this magnitude. She said she doesn't know what the City is saying, and she didn't think the developers did either. Action of the Council will send signals to everyone who may be interested in investing in our downtown. If it appears the City is difficult to work with, or causes unnecessary delays and does not follow our Master plan, developers may not be interested. The negatives she has heard are that the buildings are too tall, lack of green space and increased traffic. She felt that height is a legitimate concern and should involve negotiation. Regarding green space, by declaring this a reinvestment area it is unreasonable to expect an urbanized area with high-rise condominiums and commercial buildings to have as much green space as single-family neighborhoods. She felt that the City would require attractive landscaping around and on the buildings, and at the lakefront to create a “green sense”. Regarding traffic, she felt that increased traffic would be a good sign, not a bad one, as it would indicate that there are more people living, shopping and recreating in the downtown, a major goal of downtown revitalization. She hoped that the Council would favor the overall concept, and point out the pluses and minuses, and enter into realistic negotiations to move forward for a win-win situation for all.

Mariette Andersen, N14 W30212 High Ridge Rd., Pewaukee, alluded to the moratorium proposed for the Olympia area. She stated she is opposed to both the moratorium and a master plan for the area, pointing out that 80% of the land has belonged to one individual for over 30 years and who has invested in infrastructure to serve the future needs in the parcels. The land is being marketed, and one parcel sold 6 months ago. She stated they have been waiting a long time, and it is not fair to have a moratorium as it would impact the efforts they have been pursuing for several years. They are not asking for any changes.

Consent Agenda

- A. Licenses (including a “Class B” Liquor license for The Next Bar, and address change for Ultra Foods “Class A” license) – Moved by Ald. Hollatz, seconded by Ald.

Antonneau to approve the Consent Agenda. Voice vote carried with no dissenting votes.

The Mayor reported that there had been a Public Services meeting prior to the Council where they approved the crackfilling program for 2005. The Council also met as the Committee of the Whole for a presentation regarding a transportation utility.

Committee Reports

- A. Finance – no report
- B. Personnel – no report
- C. Protection and Welfare – no report
- D. Public Services – no report
- E. Utility
 - 1) Consider/act on Wastewater Agreement with Village of Oconomowoc Lake for South Beach Rd. – Moved by Ald. Gross, seconded by Ald. Jones to approve the Agreement for South Beach Rd.

The Mayor explained that approval of this Agreement would authorize extension of water service to parties living in the Village of Oconomowoc Lake whose septic systems have failed. This is mainly for health reasons, and these people will be charged more than what City residents pay for water.

Motion to approve the agreement carried unanimously.

- 2) Resolution re: Construction phase Engineering services for Silver Lake Utility District – Moved by Ald. Gross, seconded by Ald. Snyder to adopt the resolution.

This resolution would repeal the previous resolution authorizing Ruckert & Mielke to do the engineering, and selects Ayers Associates for the engineering services as their level of services is more in line with the level of services needed. The cost is not to exceed \$131,100. Motion to adopt the resolution carried unanimously.

- 3) Resolution re: Agreement for Professional services for the new Cooney feeder at the Cooney Substation (electrical) – Moved by Ald. Gross, seconded by Ald. Antonneau to adopt the resolution.

Adoption of this resolution would authorize Short Elliott Hendrickson, Inc. to do the work for a sum not to exceed \$21,930.

Motion carried unanimously.

- 4) Resolution re: Agreement for Professional services Hickorywood Farms and Arrowood subdivision layouts (electrical) – Moved by Ald. Gross, seconded by Ald. Antonneau to adopt the resolution.

Adoption of this resolution would authorize Short Elliott Hendrickson, Inc. to do the work for a sum not to exceed \$21,840. Motion carried unanimously.

- 5) Resolution re: Agreement for Professional services for 2005 System Improvements (electrical) – Moved by Ald. Gross, seconded by Ald. Antonneau to adopt the resolution.

Adoption of this resolution authorizes Short Elliott Hendrickson, Inc. to do all necessary improvements to the system for 2005 for a cost not to exceed \$30,000.

Motion carried unanimously.

Plan Commission recommendations – none

Unfinished Business – none

New Business

- A. An Ordinance to Establish a Development Moratorium in the Olympia Resort area – Ald. Gross reported that the Plan Commission recommends a moratorium to review and establish a master plan for area. This was briefly discussed at the last Council meeting and Attorney Chapman was requested to prepare this Ordinance.

Moved by Ald. Gross, seconded by Ald. Cochrane to give the ordinance its first reading. Carried unanimously.

- B. Conceptual presentation of Sandy Creek & Rockwell downtown redevelopment plan – Mayor Sullivan stated that when there is a project that would be beneficial to the City, a PD (Planned Development) may be pursued by the developer and may require some changes to our ordinances. This begins with review and discussion of the proposal by the Plan Commission. There are three choices, i.e. 1) preliminary favorable opinion 2) unfavorable opinion, or 3) no opinion. The Plan Commission, in this case, gave no opinion. The Architectural Commission gave a preliminary favorable opinion, and they are before you tonight for your opinion. He explained that this is Phase 2, and as a result of your discussion/issues, staff will meet with the developers and share your concerns.

Phase 3 will be the general development plan. Developers take the suggestions that were given and come back to the Plan Commission, and Council for their reaction.

Phase 4 will be specific detail plans, which involves the Architectural Commission, Plan Commission and Common Council. The Common Council will hear the developers and see where the discussions bring us.

Mr. Ken Herro, Sandy Creek, stated he was excited to present their plan to the Council as he feels this is a great opportunity for the City. He stated that he and Mike Herro are Sandy Creek LLC; MSI is their builder, Paul Schmitter; and Larry Witzling of PDI is their Planner. Rockwell Development, LLC is made up of Jeff Seymour and Rob Perry; VJS is their builder; Continuum is their planner, Ms. Falamak Nourzad, Architect.

Mr. Witzling gave a power point presentation laying out the Process; Downtown Master Plan – Urban Design; Architectural Character and Value. He gave some background, beginning in April/May 2003 when Rockwell came to the Common Council with a presentation; in September, 2003 Sandy Creek came to City Staff with a presentation. In May of 2004 a Downtown Revitalization Plan was adopted by the Council; in June 2004 a redevelopment plan adopted RFQ presentations were made to the CDA by both groups; in July 2004 the CDA adopted a redevelopment plan, which was developed by Ruekert & Mielke working with Schreiber-Anderson; in September 2004 the CDA suggested that the two groups get together and work on a common plan. In January 2005 a combined plan was presented to the CDA and at the March 2005 CDA meeting a revised plan was presented to the CDA and received unanimous support; in April & May, 2005 there were meetings with City staff; in June 2005 it was presented to the Plan Commission, who gave no opinion, and they are requesting a preliminary favorable opinion from the Common Council this evening. This area is encompassed by E. Wisconsin Ave., St. Paul St., Pleasant St. and Silver Lake St. (extended)

Mr. Jeff Seymour stated that he came in two years ago to develop the Art community, which he did in Waukesha 8 years ago, offering an art gallery/restaurant. His Waukesha project has grown tremendously, with 70 to 80 artists catering to children as well as the disabled community. He stated this is typical before the residential comes in, and encourages live/work housing. This plan included theatre, hotel, retail, entertainment/activity center, as well as residential.

Mr. Witzling commented that Building A will have ground floor retail with 4 floors of residential above. Building B will have live/work units with 4 floors of residential above. Building C will have town homes on Pleasant St. (2 stories) and galleries with five floors of residential above in Courtyard. Building D will have two story retail with restaurant and theater. Building E will be a Boutique Hotel (2-3 stories); Building F will be a parking structure (4 stories) and town homes (2 stories). Proposed parking is: 4 surface parking spaces for each 1,000 sq. ft.; 1 indoor parking space per bedroom of residential; 362 parking structure spaces for restaurant and theater.

Mr. Witzling pointed out the anticipated architectural characteristics of the development: St. Paul Street will resemble a "European Street"; Wisconsin Avenue will have a classic "Main Street" character; Silver Lake St. will be a picturesque "Court and Lane" flavor; and Pleasant Street will have the small town "Front Porch" neighborhood characteristic. He displayed examples of the various architecture.

The Goals for the Downtown Revitalization plan are: 1) Multi-use center for city and region. 2) Improve public access-parking, pedestrians, bicycles. 3) Balance traffic needs with pedestrian-oriented district. 4) Preserve historic character and accommodate new infill. 5) Reinforce Oconomowoc's linkage to lake. 6) Establish complementary relationship to Pabst farms. 7) Improve connections to community facilities. 8) Identify new development to fund TID for public improvements – streets, parking, transit, pedestrian and bicycle access, public spaces. 9) Promote environmentally friendly strategies. And 10) Build partnerships with State, local government, and private sector.

Ms. Nourzad pointed out changes that have been made since the presentation to the Plan Commission to bring density down, and reduce height. The Fowler Boardwalk lofts (Building A) have been reduced to 5 stories with setbacks, making it approximately 67 ft. high to center of gable (from 87'); the Pleasant St. parking structure being reduced to 2-4 stories and roof parking (rather than 2-5 stories) for a height of 44'; they have added 10 townhouses around the parking structure; Historic Pleasant Town Homes & Lofts (Building B) has been reduced in height to 78' to center of gable. Ms. Nourzad stated that 612 parking spaces are required by the City's zoning, and they currently offer 538 and 18 spaces off-street parking, but do meet the requirement for evening parking. She pointed out that all restaurants within the project may not be sit-down restaurants and would not require daytime parking as required by the zoning code.

Mr. Rob Perry spoke to the value of the project to the City. They anticipate a major increase in the City's tax base which would be an immediate and long-term benefit. This will bring a variety of income bracket residents, as well as a variety of businesses/agencies. He stated they want to be the catalyst for great things to come to the City, with managed streets and courtyards with mixed architecture.

Mr. Witzling remarked that it is unique to have two developers working together. He stated that their proposal has been modified and they are still flexible and willing to work on the plan. He felt that this project meets the goals of the City and they are looking for approvals to proceed.

The Mayor opened the meeting for comments from the aldermen. Ald. Larsen felt that height and density must still be addressed. Ald. Jones felt it was a good presentation and that they are moving in the right direction. Ald. Antonneau stated that he liked a lot of things about the project, but felt buildings on Wisconsin Ave. should be reduced from 5 to 3 floors. He liked the townhouses on Pleasant St., and the fact that St. Paul Street would be right turn only going toward the lake. There was mention of the property being in the TIF District, and Mr. Perry pointed out that several of the properties are not in the TIF district (the east portion of the block). Buildings A and B are in the TIF district. Ald. Morgan felt the structures were too massive and it would be a disservice to future generations. Ald. Gross stated that he is on the CDA, and pointed out that and plan they favored was only conceptual. He stated he is still concerned about height – "height is a lightning rod" in this city. He favors the mixed use. He stated that the CDA was enthusiastic about the project, but did not realize the amount of involvement they were going to have. They want to preserve the downtown, and this is a decent project without the height. With less height on Pleasant St. and less parking, they may make this project more viable for the Council. Ald. Larsen read from the Schreiber-Anderson plan, and felt that nothing that is being proposed complies with that plan, nor does it meet our zoning requirements.

Mayor Sullivan left the Chair, and asked President Gross to take the Chair. (9:50 p.m.)

The Mayor stated that he did not feel that the CDA needed to be defended, as they have done the job they were asked to do by the Common Council. They conceptually approved the project and criticism should not directed at them. He stated that through the PD process the Plan Commission may modify the standard ordinances in favor of other beneficial features. He felt that if the aldermen and public would revisit the origin of the redevelopment plan, they would see the lack of growth. Property values were marginally growing which is a sign that there is a weakness in the values of the property. In an effort of the Common Council and CDA to strengthen our values, a Master Plan for downtown and a redevelopment plan were adopted. A

blueprint is set forth in those plans, and the developers are responding accordingly. You decide where the proposal is weak or strong. Personally, he felt there are good things with a destination that has some energy. We have to do something other than what we are doing, something a bit more dramatic. He stated he likes the theater, hotel, restaurant and commercial marketplace on St. Paul as well as the extension of Silver Lake St. He had concerns regarding the height scale, density and architecture. The plan refers to historical features, and he would like to see the architecture softened and more attractive.

The Mayor felt that a substantial issue, is money, whether or not it is TIF money. He felt that half of the properties under the control of developers create a detraction, and it is clear that there is real speculation occurring. This is having an affect on present owners and the City, which he has heard is becoming very heavy. He felt there is a great risk by virtue of the land costs. We need a traffic study, which he understood we should have shortly. He encouraged that this is a time to go forward, not a time for rejection, but that we let it work and continue until they break off or we meet an agreement.

10:01 p.m. the Mayor resumed the Chair.

The Aldermen, other than Ald. Larsen and Ald. Morgan, liked the project but want the height and density further modified. Ald. Larsen felt the project was unfavorable because it does not comply with the Schreiber Anderson plan and is against our zoning. Ald. Morgan felt it could move ahead if the height were reduced to a maximum of 25'.

Ken Herro stated he respects the opinions concerning downtown, but the downtown plan is the foundation that they have worked on. They need to know specifically how many feet of height would be acceptable on Pleasant St. and on Wisconsin Ave. Mayor Sullivan stated he understood that it is a fair question and that they need to know the answer soon, but he didn't think they would learn that answer this evening. (10:08 p.m.)

Mayoral appointments to Boards and/or Commissioners, with Council confirmation – none

Staff Reports

- A. Administrator – no report
- B. Other – none

Announcements and Communications – none

Reports and comments from the Aldermen – Ald. Cochrane has had comments on how great our fireworks display was, and thanked the Fire Department and the Volunteers. She also conveyed thanks from Tom Foti for the opportunity of allowing him to serve in Ald. Snyder's absence. He is happy for Ald. Snyder that he is back and able to serve. Ald. Antonneau agreed with the lovely fireworks display, and said that he would like to see some rides for the kids in connection with the fireworks. He has spoken with Fox Bros. who told him the people who set up their rides can supply 3-4 to 10-15 rides and he would like the Fire Department to work with them toward that end. Ald. Larsen asked how would you feel if you were a resident on Pleasant St., and this is being done for the public's good. He felt this is a done deal at this time. He also apologized for reading the Schreiber-Anderson plan, but felt a need to point out the fact that the plan is not being followed. Ald. Gross stated that Ald. Larsen did not need to apologize for

reading from the Schreiber-Anderson plan, as we are all elected to do a job which is what he was doing.

Reports and comments from the Mayor – none

There being no further business to properly come before this body, a motion to adjourn was made by Ald. Cochrane, seconded by Ald. Antonneau, and carried. (10:12 p.m.)

Ardyce Senfleben, City Clerk