

City of Platteville
STAFF REPORT AND FISCAL NOTE

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Title: Former Pioneer Ford Site: Selection of Developer

Policy Analysis Statement:

Brief Description And Analysis Of Proposal:

To jump start the redeveloping merit of the former Pioneer Ford site, the City initiated a Request for Proposals process to solicit potential developers for the property. The Council established a Committee to review the submitted proposals and make a recommendation to the Council regarding the preferred project and developer.

The City received four proposals in response to the RFP. One proposal involved the redevelopment of only a portion of the site; the other three proposals involved a complete redevelopment of the property. The proposals were ranked based on the criteria set forth in the RFP document. The Committee selected two finalists and invited the developers to make a formal presentation and provide additional information on their proposed projects. The Committee has now completed the review process and is recommending the City focus on the proposal submitted by General Capital and begin more substantive discussions about the development of the site and associated financing. The General Capital project would involve the construction of a multi-story building that would include both commercial and residential uses.

If the Council concurs with this recommendation, the Council needs to authorize staff to enter into discussions with General Capital as the proposed developer for the site and begin negotiations for the sale and development of the property to General Capital. This will result in a Letter of Intent/Memorandum of Understanding regarding the proposed development, which will be submitted to the Council for review and approval. The Letter of Intent/Memorandum of Understanding will outline the basic characteristics of the proposed project, the obligations of the developer, the obligations of the City, and an anticipated timeline for completion of the project. The Letter of Intent/Memorandum of Understanding will allow the developer to proceed with investing additional time and resources into the project design, financing, and other details. Once the project design, financing and other details are further refined, the Council will undertake a formal review of all aspects of the project and determine whether to proceed by entering into a Development Agreement with General Capital.

Recommendation:

Staff recommends the Council authorize Staff to begin discussions with General Capital with the goal of drafting a Letter of Intent/Memorandum of Understanding regarding the redevelopment of the former Pioneer Ford property.

Impact Of Adopting Proposal:

The impact of adopting the request will allow the City to begin negotiations with the developer regarding the details of the property redevelopment.

Fiscal Estimate:

Fiscal Effect (check/circle all that apply)

- No fiscal effect
- Creates new expenditure account
- Creates new revenue account
- Decreases expenditures
- Increases revenues
- Increases/decreases fund balance - _____ Fund

Budget Effect:

- Expenditure authorized in budget
- No change to budget required
- Expenditure not authorized in budget
- Budget amendment required

Vote Required:

- Majority
- Two-Thirds

Narrative/assumptions About Long Range Fiscal Effect:

Approval of the request will have no fiscal impact. The fiscal impact will come from the actual redevelopment of the site.

Expenditure/Revenue Changes:

Budget Amendment No.				No Budget Amendment Required <input checked="" type="checkbox"/>				
Account Number				Account Name	Budget Prior to Change	Debit	Credit	Amended Budget
Fund	CC	Account	Object					
				Totals				

Prepared By:

Department: Community Planning & Development
Prepared By: Joe Carroll

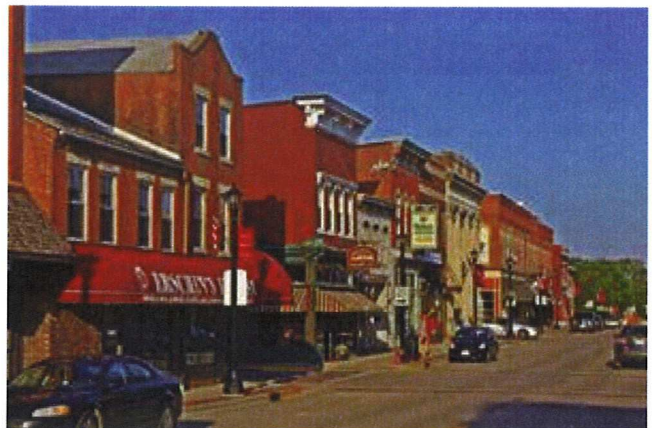
Date: July 6, 2016

Former Pioneer Ford Site RFP and Developer Selection

CITY COUNCIL PRESENTATION

Downtown Master Plan

“Downtown Platteville is a vibrant place and the cultural heart and identity of the community. A diverse business mix is thriving and profiting. Arrival to the downtown district is distinctive and appealing and parking is easy to find. Visitors discover reasons to linger and explore and more people choose to live downtown”

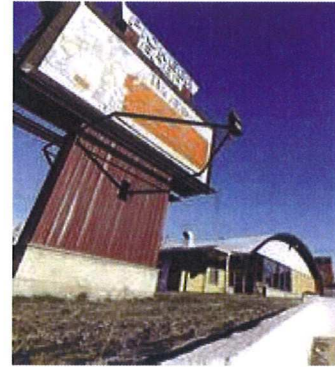


Downtown Master Plan

Former Pioneer Ford site is one of the sites identified for redevelopment.

Two options were discussed that did not include the dealership:

- ❖ Public-private development with up to 350 parking stalls with office space facing Pine and Water Streets
- ❖ Private 3-5 story development with underground parking. Land use could include retail, service, office and/or residential based on market use



History

January 2011—Downtown Master Plan adopted

September 2011—Property is listed for sale by owner

April 2015—City signs offer to purchase property

Summer 2015 - City obtains grants to help with acquisition, environmental assessment and demolition costs

October 2015 - Phase 1 and 2 environmental assessment is completed with no major findings

December 2015 - City closes on property

December 2015 – Community visioning session for future of site

December 2015 – RFP for development issued with responses due in April

February 2016 – Council appoints Task Force to evaluate RFP responses

Former Pioneer Ford Site



Community Vision

About 45 people attend session. Questions asked include:

- ❖ What types of features would help establish this as a gateway to downtown?
- ❖ What types of uses should be considered for the site?
- ❖ What don't we want to see on this site?
- ❖ When the project is done I hope we can say _____ about the project.

Similar online survey also conducted.

Visioning Guiding Principles

Serve as a Gateway – the project uses architectural and art themes to signify and invite people into the downtown area

Be Smart with Parking –The project takes advantage of topography to maximize and hide parking. Consider uses that make shared parking possible.

Include Multi-story, Multi-Use Building – The project combines retail, office and/or housing uses. All three are prominent in the downtown area.

Complement Platteville's Historic Downtown – The project's building façade and site design compliment the historic nature of the downtown area.

Connect to the Outdoors and Street – The project provides pedestrian-friendly features and green spaces in the site design; possible through the use of outdoor gathering spaces such as splash pad, sculpture garden, water feature and/or outdoor dining.

Grow the Tax-Base – The project improves the City's tax base in the downtown district.

RFP Evaluation Task Force Members

- ❖ Barb Daus, Council Member
- ❖ Tom Nall, Council Member
- ❖ Larry Ward, RDA Member
- ❖ Jack Luedtke, Main Street Executive Director
- ❖ Ela Kakde, PAIDC Director
- ❖ Karen Kurt, City Manager
- ❖ Joe Carroll, Community Development Director



Task Force Process

Reviewed four proposals before selecting two finalists.

Finalists made presentations and answered questions in person.

Selection Criteria:

- ❖ Degree to which the proposals met the guiding principles
- ❖ Estimated project costs and generated tax base
- ❖ Developer's expertise, experience and financial capacity
- ❖ Purchase price offered
- ❖ Proposed development schedule
- ❖ Other benefits to the community

Recommended Developer

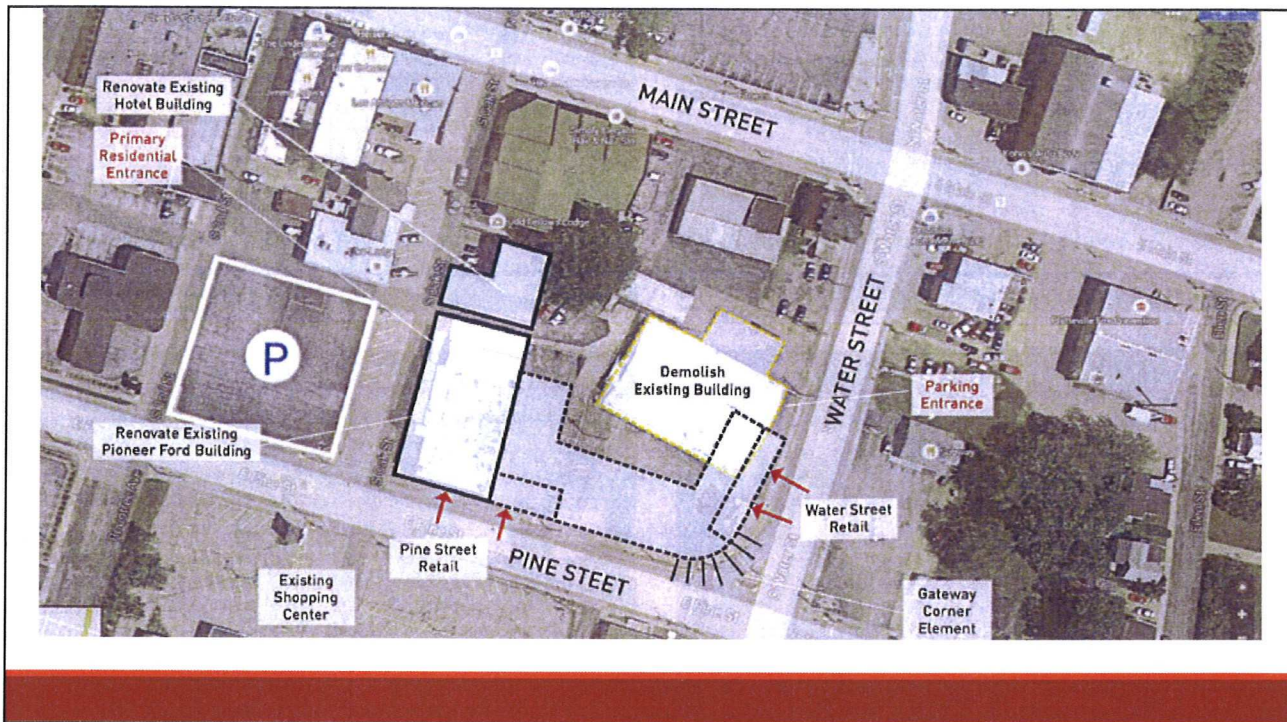
General Capital Group

- ❖ Wisconsin-based company
- ❖ 20+ years of experience in industrial, commercial and multi-family housing development
- ❖ Projects in over 20 communities

Proposed Project

Mixed -Use Residential and Commercial Project:

- ❖ Approximately 7500 sq. ft. commercial space and 81,500 sq. ft. of apartment space.
- ❖ Apartments would be a combination of market rate units (15-20%) with the remainder affordable housing.
- ❖ Reuse two of the existing buildings as well as new construction.
- ❖ Parcel on northwest corner of Oak and Pine Streets would be used for parking.
- ❖ Estimated project cost of \$11.45 million.



Proposed Project

Financing and Timeline:

- ❖ Combination of developer equity, tax credit equity, HOME funds, TIF assistance backed with guaranteed repayment through real estate taxes and contribution of the land.
- ❖ Project is contingent on securing WHEDA tax credits. Submission to WHEDA would occur in January 2017 with award of the credits in April 2017.
- ❖ Construction would start in fall of 2017 with anticipated completion in December 2018.

Both the project design and project financing are subject to future negotiations.

Next Steps

With City Council approval, staff would begin negotiations with General Capital. Several milestones would exist for the City Council and members of the public to provide input and direction.

- ❖ City staff and developer negotiate a letter of intent to develop which enables the Developer to request WHEDA tax credits. General financial analysis is completed. City Council reviews and decides whether to proceed.
- ❖ General Site Plan is developed. Plan Commission and City Council review.
- ❖ Site Specific Plan is developed. Plan Commission and City Council review.
- ❖ Development agreement is reached. City Council review.

Next Steps

Other Options:

- ❖ Reevaluate remaining proposals
- ❖ Reissue RFP
- ❖ Hire a consultant to assist with marketing the site