

**Notes from Community Meeting Regarding
Redevelopment Proposal for the Messner Property for Mixed Use Housing**

Monday, March 13, 2017 at 5:30
Christ Presbyterian Church

Attendees:

Dane County - Todd Violante (Director of Planning and Development Dept.), Olivia Parry (Planning and Development Dept.)

City of Madison - Jim O'Keefe (Director of Community Development Division), Kevin Firchow (Planning Division)

Dane County District 2 Supervisor Heidi Wegleitner

Madison District 2 Alder Ledell Zellers

TLNA Council members - Patty Prime, Patrick Heck, Bob Klebba

Neighbors and Interested Parties: Ed Kuharski, Marsha Cannon, Joey Hoey, Tom Kapper, Shawn Kapper, Mike Soref, Brad Mullins, 1341 E. Wash (to be bulldozed), Maggie Carden, Alan Gold, Sharon Lezberg, Paul Schechter, Sue Springman, Pat Kelly, Bob Klebba, Jonathon Bedford, Jon Becker, Mike Metzger, Bradd Alam Bitney and Michael, Joseph Senulis, Gail Bliss, Sara Christopherson, Jack Gregory and Courtney

1341 E. Wash

County Supervisor Heidi Wegleitner and Alder Ledell Zellers welcomed attendees. All introduced themselves. Heidi passed out copies of the meeting agenda and County Resolution 497, which was approved by the County Board and signed by the County Executive:
<http://www.tenneylapham.org/web-data/development/messner2017/497.pdf>

Resolution 497

Heidi gave background information and described the contents of Dane County Resolution 497, "Affordable Rental Housing for Families". The resolution discusses the process for choosing a developer for the site, but is purposely not very specific on what the development will consist of. It asks for a development that will include mixed income residential rental housing to include housing for very low and extremely low-income families. The County owns 3 adjacent parcels: 1314, 1318 and 1326 E. Washington Ave. The Messner building is at 1326 and that was the proposed site for the Day Resource Center for the homeless that has since been approved for 615 E Washington, leaving this site available. The County wants to move forward with a development that will include affordable housing on this site, but Resolution 497 is about all they've done so far – they first want to know what the community wants for the housing. There will be more opportunities to weigh in.

County Process

The draft Request for Proposals (RFP), which will be written after taking neighborhood input, is scheduled for consideration by the County's Health and Human Needs Committee on March 22. That meeting is at 6:00pm at the Aging and Disability Resource Center at 2865 N. Sherman Ave. The County's Personnel and Finance Committee is scheduled to take up the draft RFP at their March 27 meeting at 5:30pm in the City-County Building, Room 351. Heidi expects that the RFP will be issued in late April.

After the RFP is issued and responses come in, a County team will select a winner. 497 says that a TLNA should have a representative on that evaluation team. That selection will come before

the full County Board for approval, likely on August 17. The County Board will be considering a separate resolution (separate from 497) to accept the RFP selection, so public testimony will be taken. For now though, the County wants feedback on what should go into the RFP that will eventually go out to the development community for responses.

City Process

Alder Zellers then discussed the City process that would be initiated after the County selects a developer. The developer would submit applications to City Planning, just like any other development proposal. Depending on the details of the proposal, these City bodies would likely consider the development proposal:

- Landmarks Commission will comment on any buildings proposed for demolition, including assessing whether they are important to the City's heritage.
- Urban Design Commission – because it is a new development in Urban Design District 8 (UDD-8), UDC will review the proposal's conformity with UDD-8's design stipulations.
- Plan Commission – PC has purview for assessing any demolition of existing buildings, granting any Conditional Use permits for the proposal (could need CUs for dwelling units in a mixed-use building; for a building height over 5 stories; for a structure over 68' in height, and other requirements that Kevin Firchow from Planning will talk about). They also would need a CU if retail space is included and the zoning category is Traditional Employment. It is not likely that they would include a restaurant or bar, but if so they'd need a CU for those. The PC also looks at the proposal's conformity with the Comprehensive Plan, the E. Washington Capitol Gateway Plan, and the Tenney-Lapham Neighborhood Plan. PC also advises Common Council on any rezoning request. ALRC would become involved if there is a need for a liquor license. If Tax Incremental Financing is sought, then the Board of Estimates and Common Council would need to approve that. Common Council also weighs in on any rezoning request. Ledell added that in each step along the way in the City process, people can weigh in.

Ledell thanked the County for being open and seeking input from the neighborhood early in process. She reiterated that the City process will depend on what the proposal ends up being. She also noted the current zoning of each parcel since it is likely that the developer will seek a lot combination: 1314 E. Washington is zoned CC-T (a Commercial Corridor-Transitional), 1318 is Traditional Residential Varied (TRV-1) and 1326 is zoned TE for Traditional Employment.

County Process

Todd Violante, Director of the Dane County Department of Planning and Development, showed a map of the site, oriented everyone, including where the Tenney Nursery and Parent Center is located adjacent to the rear of the site. He also gave a description of the process from his department's point of view, including their assisting with the drafting of the RFP. After a developer is selected, the County will not be walking through the City process as with the Day Resource Center proposal - the selected developer will need to do that.

City and Neighborhood Plans

Kevin Firchow from City Planning Department discussed the zoning and planning perspective. It is a complex site from a zoning perspective, but they expect that it will be combined into one category in the end. Ed Kuharski asked Kevin to clarify which buildings are currently on which parcels. Kevin said there is one home on 1314 with the Messner buildings on 1318 and 1326.

Kevin reiterated that it is in UDD-8, which runs from about 1st Street to the square. It dictates things such as land use, design, height, e.g., there is a requirement for a 15' setback from the sidewalk for new developments in UDD-8. This site is limited to 3 to 5 stories along Washington and could have a building up to 8 stories in the middle of the block, but a Conditional Use permit is needed for anything over 5 stories. The land use in UDD-8, the Comprehensive Plan and the Neighborhood Plan all generally agree, all calling for employment and/or mixed-use commercial development on this block. Ed Kuharski asked which parcels have which land use recommendation in the plans. Kevin said it is not parcel specific – the categories describe what is recommended for the entire block. The plans recommend redevelopment for this block. It was asked if the County has any renderings – no, those come after the County picks a developer and will come from the developer. Marsha Cannon asked if the map of the site would be part of the record and posted on the website. Todd Violante answered that they would have a location on the County website where materials for the effort will be located. Patrick Heck added that TLNA already has a website for the development proposal and items could be housed there too. It was noted that the building on the corner of E. Washington and N. Dickinson is a local landmark (Pasquale's). Ed asked about the intact residential portions of the block – these are different than parts of the area towards the river. Kevin reiterated that the entire block is recommended for redevelopment, but no other proposals have come forward. Jon Becker asked about possible building heights. Could developers ask for more than 8 stories like the Constellation? Kevin said they wouldn't know what might be proposed until the County selected a developer's proposal, but the FAA probably limits heights there based on flight paths. Patrick Heck asked if bonus stories above the 8-story limit are allowable based on certain criteria like further down E. Washington. Kevin said no, there are no provisions for bonus stories on this block. Marsha Cannon asked for a clarification about the allowable height – they need a CU for over 5, but 8 are allowable? Kevin said yes, 8 are allowable in the middle with a CU, but in UDD-8 5 are allowable without a CU and the E. Washington front can be only 3 to 5 stories. Ed asked if Kevin could provide the maximum allowable ceiling according to the FAA – yes, Kevin will get that information. Ed also asked if a Planned Development zoning category could be used. Kevin said that PDs provided flexible zoning solutions up about 2013 when the new zoning code was adopted. Previously, PD's (then called PUDs) allowed a write-your-own zoning solution and just about every large project used a PD. In the new zoning code PDs are meant to be an exception, so he doubts one will be created for this site.

Pat Kelly asked if an RFP has been written and if so, will it include limits on building height and things like that. Todd said no, an RFP has not yet been drafted – that will come after taking input. He said the RFP will articulate what the zoning currently calls for and provide some similar info in the RFP, but the respondents will be responsible for knowing the zoning and the possibilities. Pat wondered if the level of detail in the discussion might want to wait until the RFP is written and responded to. She added that she is going to fight tooth and nail so that the two gentleman present who live at 1314 E. Washington are not evicted and have somewhere to go. One of the 1314 residents said there are 5 people living there. Heidi said that she will commit to making sure people are not made homeless – it is a top priority of hers. She will give her contact info to the residents.

Sue Springman, representing the Mullins who own properties adjacent to the site, asked about the RFP and affordable rental housing. Heidi said that the affordability component will not be a separate RFP. The County's only commitment so far is the land – they will not operate the housing. The developer will need to deal with the issue of obtaining the various pots of money needed for whatever affordable component they propose. It was asked who would be managing

the building. Heidi said that this will come forward in the RFP process and will be a key component of the responses.

It was asked how much the land might be worth on the private market. Heidi said the County paid \$1.4 million, but that was more than what it was then assessed at. Will the land be purchased by the developer? Not necessarily – the County can hold onto it and perhaps lease it to the developer, perhaps on very good terms. Patty Prime asked if there will be an option in the RFP for the developer to purchase the land. Heidi said 497 doesn't prohibit that, but with the affordable housing goal it is unlikely that a developer would refuse the "gift" of the land. The developer will likely be spared the price of purchasing the land if they can meet 497's goals on affordable housing. Patty said she was confused about the purchase vs. lease situation – would a lease assure that the affordable housing component happens? Yes, and that it remains affordable. Heidi added that the County used capital borrowing for the site purchase, so they will likely retain ownership, but the Controller and Administrative Staff can probably answer questions about that. She reiterated that the County has not made a commitment yet on how the arrangement about the land will be structured.

Joey Hoey said that there are tax implications for the City depending on whether the County sells or leases the land – it might not be generating tax income and it was before the County bought it. Heidi said that she wasn't sure if it is taxable if a developer builds a mixed-use project, but might be. Ledell said that it would be taxable if mixed-use. Joey asked what about if Catholic Charities was the selected developer. Olivia Parry from County Planning said that if the developer was a tax-exempt non-profit it is possible they won't be paying taxes. It was mentioned that *payment in lieu* will be a part of the contract negotiations with a developer, so if there is a market rate apartment component with market rate resident benefits, for instance, there could be some payment to the City even if not taxed.

Shawn Kapper asked if the County or City had a similar arrangement for a development already in place. Heidi said that there wasn't one exactly the same. The County does own many of the buildings in which they have affordable housing and they've funded those through their Affordable Housing Fund. They are run by others, e.g., Housing Initiatives and they enter into long-term leases for the operation of those facilities, including property management, upkeep, etc. A couple of projects outside the City of Madison have been granted to non-profits such as Porchlight, but those are exclusively affordable housing units. This project will be different because it isn't exclusively affordable and that is not necessarily the exclusive use.

Marsha Cannon asked if they could name any projects that have mixed levels of rent (affordable mixed with market rate). Patty Prime suggested the new Stonehouse project going up on East Washington and others mentioned other Stonehouse projects. Olivia Parry said that the development going up on the old Royster site on Cottage Grove Rd is like that. She added that mixing income/rent levels is seen by affordable housing advocates as the way to go. WHEDA tax credits are structured so that development proposals with mixed incomes are highly rated, but they can't spend more than 15% on the market rate component.

Patty asked if there were any more process questions because we need to move on to what we might want included in the RFP. Joey Hoey asked if the County was actively looking for a site exchange, as mentioned in Res. 497. Heidi said no one has stepped forward so far, but they put that in the resolution so that the development community would know. Staff would do a feasibility assessment if an exchange offer comes forward. The exchange option might be in the RFP, but Heidi will check with staff about including it. Joey said that it is possible that an

exchange would mean that a developer could get this higher priced land and give the County less valuable land, so it might be an attractive option for a developer.

Bob Klebba asked about the County's original timeline. Will the RFP be out in May? Heidi says it could be out as soon as April. Jon Becker said that with for-profit developers you often hear they want TIF. Is there TIF capacity here or is there historical significance that would allow for historical tax credits? Ledell said the site is part of Tax Incremental District (TID) 36, so there is potential for TIF as part of the financing. The Messner building is not a landmark.

Sara Christopherson, a board member of the Tenney Nursery and Parent Center, asked what will be in the RFP related to the Nursery? Patty suggested that we wait to address that until we were sure there were no more process questions.

Patrick Heck asked if there will be opportunities for feedback on the draft RFP before it becomes the official RFP. Heidi said that there will be, per Res. 497, a neighborhood representative on the RFP evaluation committee, but there is no process for input on the draft according to county staff. She thinks though that they will take the neighborhood's input to heart. She added that no one will see the chosen RFP response until a contract is signed with the County.

Patty then asked what attendees would like to see in the RFP, similar to what Sara just asked about. Also, what do you not want to see?

Glen Reichelderfer, from Christ Presbyterian Church, said he wants to make sure the housing is "low income" rather than "affordable". When the term affordable is used it gets to be squishy, i.e., it may not be truly affordable.

Sarah Christopherson said that irrespective of the unit mix, Tenney Nursery wants them to consider that the school and playground are right there. They do not want smoking allowed near the nursery. Attracting new families to the Nursery will be difficult with smoke or people flicking butts. Patty Prime asked if "no smoking near the nursery" should be added to the list of things for the RFP – yes.

Joey Hoey asked about parking – cars are often necessary if you have kids. He has experience with poor families and knows that for them, a car can be a lifesaver. The parking needs of a low-income population should be considered. Patty said that the City often asks for a 1:1 housing unit to parking stall ratio – should it be higher, maybe 1:1.2? Bob Klebba said that the parking could require payment from tenants – he thinks the parking should also be affordable for low-income residents. Shawn Kapper asked what if a resident can't afford any parking charge? They will instead park around the daycare, on Baldwin, on Mifflin – there should be parking provided in the building. Heidi said she appreciates the need and understands, but is the concern for all parkers or just the low-income parkers? Shawn said she is considering the low-income tenants. Kevin Firchow from City Planning added that there would be a City parking requirement, but that will depend on the proposal and zoning.

Paul Schechter asked if the middle parcel that has surface parking in the rear could be used as surface parking for the development. If not, there could be underground parking, but that is not really feasible with affordable developments unless TIF is used. Less expensive than underground is a parking ramp – perhaps that could be done in collaboration with Mullins since they own a lot of the adjacent property and have parking needs. Patty noted that we need to put

what the neighborhood wants into the RFP, but respondents will have to deal with those. It is good to talk about these items though.

Marsh Cannon said she wondered how many coffee shops the neighborhood can support. She thinks mixed-use buildings will run out of ideas for what will go in on the first floors. She thinks instead there might be a market for accessible first floor housing. People with automated vehicles could zoom into them. It is an option to have less or no commercial space. She also worries about shadows if an 8-story building is built – it will impact yards and gardens on E. Mifflin. Patty said that they will have the same 45°-slope requirement in the rear as the Constellation and Galaxie. Marsha said that like with the shadowing studies for the Stonehouse project by Lapham School, the shadows will extend across Mifflin.

Pat Kelly said that if the development is targeted to families with children, there should be a nice green space in the back. It would make a buffer too. She doesn't want a token green space, but one that kids can use.

Jon Becker said that at Union Corners, there was a large group of neighbors who wanted it to be 1000 units or more – higher density, but those mostly haven't happened across E. Washington. We need to be very clear about desired density, parking needs, etc. The Marling lumber site developer came in under the neighborhood plan's density recommendation. Ledell said that the land use is 60 dwelling units/acre. Jon said that you can build underground parking anywhere in the city – they just have to build for leakage. The new hotel on Webster is using a parking system that will have much greater efficiency per square foot. Milwaukee had a building put up with no parking – they made it affordable. He thinks Epic people don't have cars – we can change the way we develop. A parking ramp is possible, but there are options to put a building up more cheaply if you don't tie it to parking. He and Madison Area Bus Advocates think the city has to stop funding parking.

Bob Klebba said that one reason TLNA Council voted in favor of Heidi's proposal is that this is a family neighborhood and her resolution had an emphasis on promoting apartments for families. We have the nursery, Lapham School, etc. He, though, would like to see a commercial component – he wants that specified in the RFP. Heidi said that if there are conflicted opinions about commercial space, it is possible that it could remain unspecified in the RFP.

Jack Gregory said that he and Courtney struggle finding housing that is affordable. They struggle with disability issues. They are not car owners, but Courtney is differently abled. There is no landlord accountability – they usually won't make accommodations for her so they can't live many places. There is a real critical lapse as far as integrating Courtney, for instance, into the larger community. He added that childcare workers are desperately in need of affordable housing. They are on year three of dealing with these housing issues and have talked to Ledell about it. Courtney was previously living in Yahara River View apartments, but now they are living together as a "mixed" couple so they can't live there. Yahara River View was great – they had gardening for disabled folks, etc. Maybe there is a solution in existence, but integration for couples in their situation is critical. He asked if accessible units will be required. Kevin Firchow said that there are useable open space requirements for all developments, but how that space will be designed/used will be part of a development proposal. Ledell added that the open space requirements are not expansive. Ed Kuharski said that the ADA requires that 10% of a development's units be accessible. Jack agreed, but he said landlords find loopholes, e.g., they make sure that 10% of the units can be adapted to accessible, but it doesn't happen. Pat Kelly

said that the RFP should have an accessibility requirement that goes beyond what the law requires. Ed suggested that all units should be accessible.

Paul Schechter agreed that the City should not be providing money for additional parking through TIF – it is not very green to do so. Instead, the City could subsidize fancy bus stops with features such as cell phone chargers – they can be hangout places so that people want to ride the bus more. There is a stop at Baldwin and E. Washington, so that helps. He wants 1st floor commercial, but the low vacancy rate has pushed developers to do residential. To create a vibrant neighborhood, you need food and amenities and you have one of the busiest streets in the City with 50k cars per day – residential on the first floor is not so good with the traffic – put commercial there, mixed use, for neighborhood vitality.

A neighbor said that he got the bus at EVP today and parking is a mess there. If there is to be commercial space in the development, they need to have parking for those businesses.

Todd Violante said there are also transportation concerns beyond parking. Would the neighborhood like to see more B-cycle stations since they are looking to expand further out? Most said yes, but added that there is a station nearby in Tenney Park.

Patty said that the development should include more 3-bedrooms – most new developments only have a token number. Sarah Christopherson added she wants more families and more accessibility too. She likes the Yahara River View apartments on E. Main Street a lot – she has family there – the environment and mood is great. Jack Gregory agreed, but said that Yahara River View is specifically low income and accessible – almost too niche and they can't branch out because mixed couples can't live there.

Joey suggested that live/work units could be a possibility for 1st floor spaces.

Pat Kelly, worried about what affordable rents might be, said that she phoned Stonehouse to find out about rents in their new project going up on E. Washington. She did not think the quoted rents were affordable (maybe \$1100 for a studio?). Patrick said that it may be that they were only quoting prices for the tower portion of the development, which has some units at 80% County Median Income, whereas the 50-some apartments that will be across from Lapham School will have lower CMI units. Heidi said that the RFP will say that some apartments will be at some CMI levels, but that is TBD. Per 497, those levels will mostly be for low and extremely low-income families. She mentioned that Section 8 (subsidized rent) funding could be possible, but Section 42 (tax credits from WHEDA) funding is possible too – it depends on the chosen developer and their proposal. Marsha said that co-housing should be explored too.

Ed Kuharski said that RFP should say that all people displaced by the development will be housed. Ledell asked if it should say “at a similar rent”? Yes, a viable rent.

Jon Becker said that if the 1st floor on E. Wash is commercial, there could be accessible units on the 1st floor rear. Then he asked if the RFP could favor a developer who is willing to do universal design. He came to the meeting because he wants to say that some counties build “living buildings” that generate more energy than they consume. We should demonstrate to developers how to do this. Housing First people should use solar panels, thereby lowering housing costs, and use renewable energy to make money by selling energy.

Shawn Kapper said that the Day Resource Center's architect, when it proposed at this site, claimed that the Messner building covered a historically significant building that was covered over – a pristine building. Can that be saved? Does it have historical significance? Kevin Firchow said he would follow up on that, but the plans say this block should be redeveloped so he doubts there is historical significance. He will ask Amy Scanlon, the City's Preservation Architect. Bob Klebba asked if Shawn was asking for preservation of the building. Heidi interjected and said that the County bought the site to do the DRC, not to preserve it. They discovered an interesting feature while exploring the DRC concept. She is not against saving the building within a broader development, but the goals of 497 must be met. Kevin added that the site is not on the list of landmarks.

Paul Schechter that 10% historical tax credits can be granted even if the building itself is not significant, but that comes along with significant restrictions. He echoed both Marsha's earlier cohousing comment and Jon's comment on the need for a living building. He said that most cohousing apartments are effectively separate units with a shared social space – the prices are about as high as regular housing because you have your own dwelling. He added that cooperative housing is much better because more things are shared. Jon Becker mentioned that Lance McGrath is getting a 10% historical tax credit for the building on Willy Street that he's renovating (plus adding an adjacent new building). Patty said that whether cooperative or cohousing, it generally requires a group that is seeking out a location and would likely be tougher to fit into a proposal, but not impossible. Glen Reichelderfer added that cooperative housing is difficult – he's lived in it and it is not for the faint-hearted.

The meeting wrapped up with a recap of future meeting times and locations (see earlier in the notes). Todd Violante's email address (violante@countyofdane.com) will be a good central contact point to use for additional input. Heidi (wegleitner.heidi@countyofdane.com) and Ledell (district2@cityofmadison.com), can also be contacted.