

Administration

To: Finance Committee

From: Mason Becker, Manager of Economic Development and Strategic Initiatives

Date: March 10, 2025

Subject: Potential multifamily housing project

Background

In May 2015, the Johnsonville Sausage factory, then located at 104 E Division St, experienced a major fire that resulted in discontinuance of operations at that facility. The company has since relocated operations to their current site at 1222 Perry Way.

The Division Street site, located along the Rock River, has since remained vacant, and a local group of investors (Cady Emerald LLC) purchased the property in June 2019 with the intent to see the site redeveloped.

North Town Partners, a real estate development group based in Sheboygan, WI, approached City staff in July 2024 looking for multifamily development opportunities in the City. After discussions, the former Johnsonville site was identified as being appropriate for their product. North Town currently has the site under contract. They are proposing to build a 68-unit multifamily project on the property.

The development will not be without its challenges, and it is important to understand the unique context of the property. The former Johnsonville factory was built across two parcels, which were separated by the line dividing Jefferson County and Dodge County. This means the proposed apartment building will have two separate addresses, two separate zip codes, two separate aldermanic districts, and two separate county supervisory districts.

City staff have engaged in discussions of these items with the City Clerk and the Wisconsin Elections Commission to talk through some of the unique challenges this will present. City staff have also discussed some of the building code implications with the Department of Safety and Professional Services.

While the developers continue to work on their financial proforma, it is important to expect that a TIF request will likely be forthcoming. We are requesting that the Finance Committee go into closed session to discuss some of the particulars of a potential TIF request.

Budget Goal

Fosters community growth by assessing opportunities, stakeholder input, environmental needs, and modern code and policy priorities

Financial Impact

Redevelopment of the currently vacant site will have a positive economic effect on the community and also help to address the City's current housing shortage. Financial terms and obligations of both parties will be spelled out in a future term sheet and development agreement.

Recommendation

Staff requests that Finance Committee move into closed session for discussion.