

## Administration

To: Finance Committee

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

Date: June 23, 2025

Subject: TIF request for The Oxbow project at 100 & 104 E Division St

## 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. To date, the owners have received no other offers-to-purchase on the property. The developers are proposing to build a 68-unit multifamily project on the property. The previously reviewed GDP/PIP document is included in your packet for reference.

Much work has already occurred to move this project forward. The property has been rezoned to Central Business District (from General Business). A two-lot certified survey map (CSM) is being finalized. The City also passed a partial vacation of Cole Street, in order to accommodate the development. The Planned Unit Development overlay process, which will include the full site plan, still needs to occur.

One other piece: The City is initiating a boundary amendment for TID #8, to bring in parcel 291-0915-3343-053 (the northern part of the site). This parcel, located in Dodge County, was not originally included in TID #8. After internal discussions and consultation with Vandewalle & Associates, staff have concluded the parcel should be added to the TID to ensure full capture of the new increment that will be generated by this project.

Staff, Vandewalle, and the developers have had numerous conversations about their financial proforma for the project, and a TIF request, which will be necessary to allow this project to occur. Vandewalle has developed three potential scenarios, which will be reviewed in the closed portion of this meeting agenda. The current PAYGO (“pay as you go”) request is lower than the initial request the developer had presented.

## Budget Goal

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

## Financial Impact

The TIF request will be discussed in closed session. Without TIF assistance, this redevelopment of currently blighted downtown riverfront property will not move forward.

## Recommendation

We want to establish if there is consensus from the Finance Committee members for City staff to move forward with drafting a term sheet for this agreement, which would come back to the Finance Committee for approval. If approved, the term sheet would then lead to a final Development Agreement, which would need approval by the Finance Committee and Common Council.