

**111 S WATER ST**

**DISCUSSION OF NEXT  
STEPS**

**AUGUST 5, 2025**

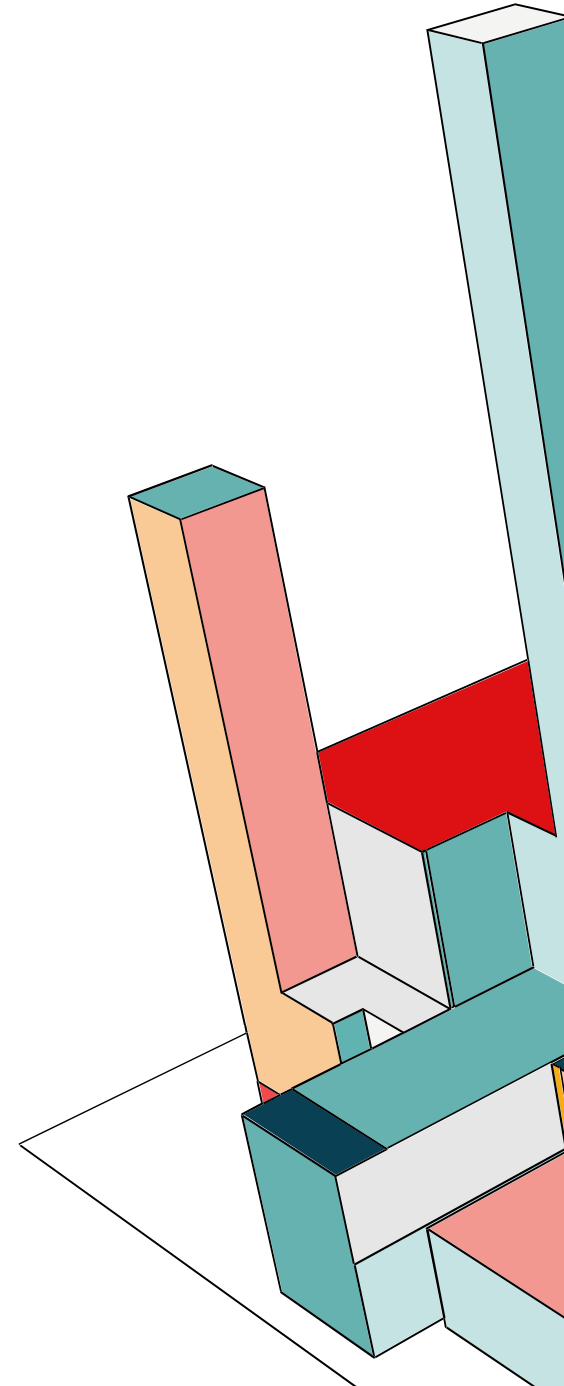


THE CITY OF  
**WATERTOWN**

*Opportunity runs through it.*

# AGENDA

- Site History
- Current Status
- Possible Uses
- Conclusions/Feedback



# SITE HISTORY

- Historically, site had been home to Farmer's Cooperative Company
- After, site was utilized as a municipal parking lot
- 1960s saw retaining wall issues
- City purchased property in 1979 from James Romlein



[www.watertownhistory.org](http://www.watertownhistory.org)

South Water Street, 100 block, east side of

111: Farmer's Cooperative Co

119: J. D. Casey Co



# SITE HISTORY (CONT.)



1969:  
Retaining  
wall failure

Erosion of Retaining Wall, S. Water Street Parking Lot

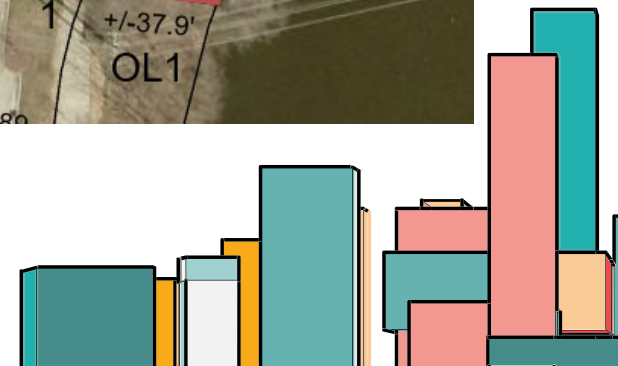
Portion washed into the river after heavy rains

Wall had been undermined by the river and attempt was being made to repair the weakened section



## SITE HISTORY (CONT.)

- 2020: Northern portion cleared in anticipation of future development
- Intention had been for creation of the Bentzin Family Town Square to spur additional development on this property
- Southern portion still being used as municipal parking lot, in need of rehab





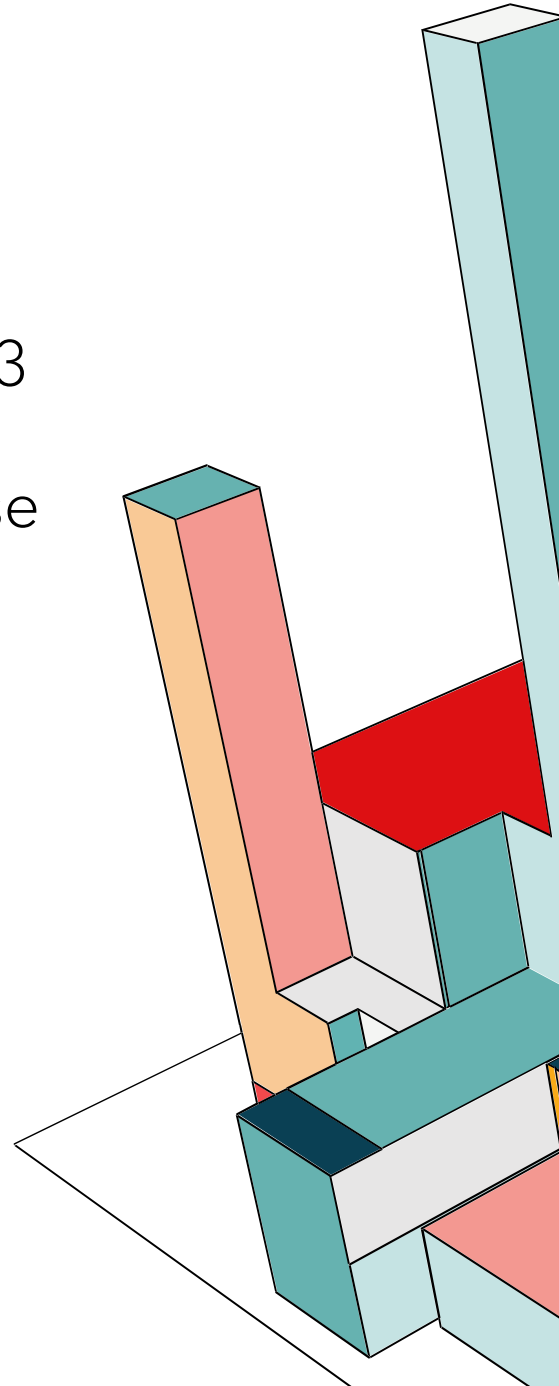
# PAST DEVELOPMENT AGREEMENT



- Original intent was to attract hotel
  - Hotel Study Update by Patek in 2024 no longer recommends this site
- TID #8 created in 2021 to support project
- Three different private developers have attempted to bring projects forward.
- D.A. that was in place Aug. 2021-Sept. 2023 lapsed after developer failed to break ground (after three extensions)
- Rising interest rates/construction costs were factor
- RFP that was issued in Dec. 2023 only received one response
- Intrepid Investments would be interested in discussing again

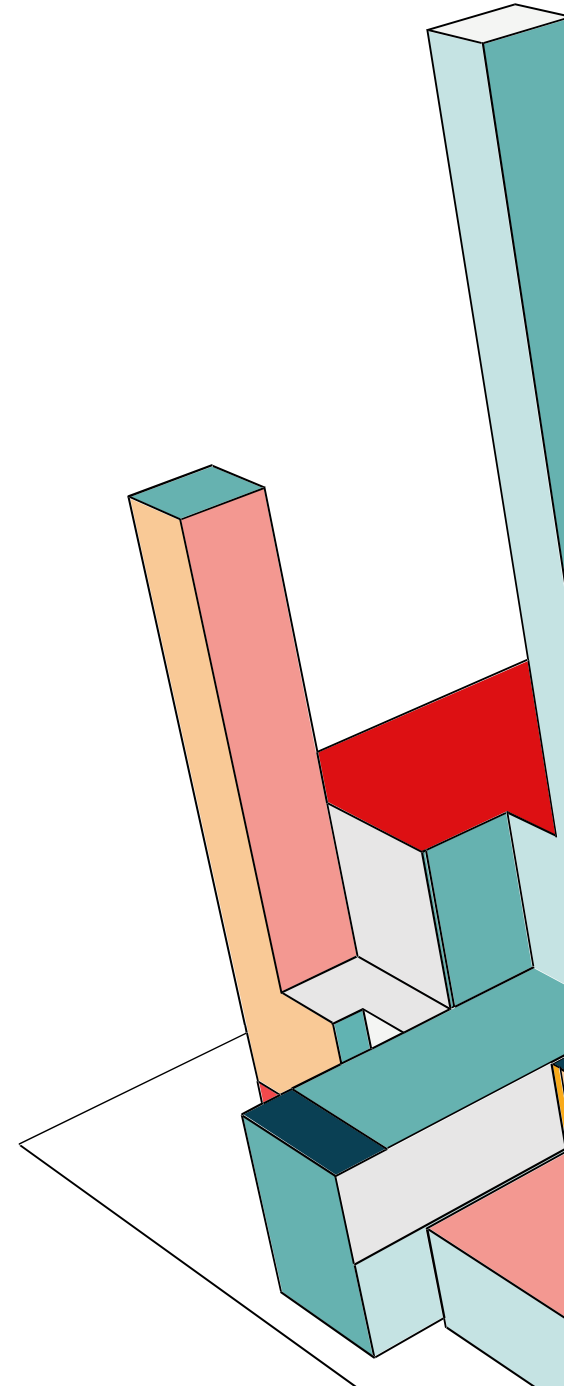
# CURRENT SITE STATUS

- Still owned by City of Watertown
  - Developer had to return parcel to City in December 2023
- Zoning: Central Business, Future Land Use: Central Mixed Use
- The site still has issues that would need to pass DNR approvals: Phase I ESA in 2017 identified issues, cited issues relating to past use and past nearby properties
  - Intrepid Investments had been working on and discussing with DNR, prior to stopping work on two downtown sites
- Current sea wall not in great condition
  - Main Street bridge contractor recently damaged and repaired

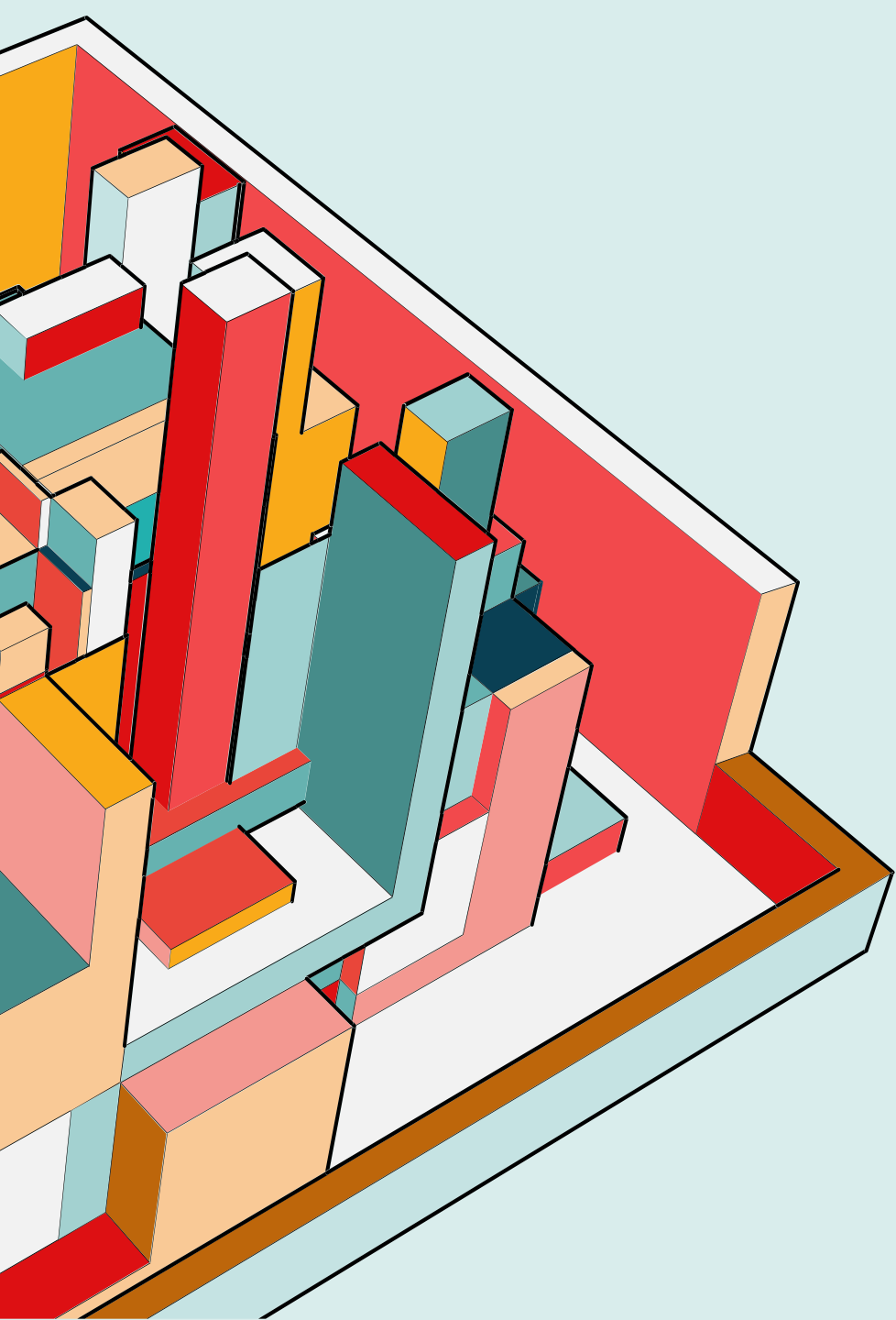


## CURRENT SITE STATUS (CONT.)

- It is unlikely that new construction commercial would be viable in downtown Watertown right now (could change in future) - We have asked developers about this
  - Cheaper rents likely available in existing downtown spaces
- Residential use is most realistic, if council still desires private development to occur
- TIF assistance would likely be needed to some level. Agreement with original developer utilized 77% of the tax increment to support the project
  - The challenge is that construction costs are higher today than can realistically be supported by rents, site engineering a challenge.
  - On-site parking also challenging







# POSSIBLE USES

- Rental housing
- Owner occupied (condos)
- Mixed use (e.g. commercial on first floor, residential above)
  - One possible solution could be City guaranteeing some amount of revenue through lease of a commercial space
  - Space could then be sub-leased, or used as a public space for meetings/programming/classes, etc
  - Drawback: City could be seen as competing with private landlords/businesses if sub-leasing
- Public: Green space/parking/bathroom, etc
- Public-private: outdoor market, food truck corral, etc

# PUT BACK ON MARKET/RELEASE A NEW RFP

- Could see if there is renewed interest in the property
- Request for Proposal process takes time, no guarantees
- Demand may still be limited due to site size/limitations (0.74 acres total)
- Recommend checking w/ Intrepid Investments first, even though Pre-Dev. Agreement lapsed
- Have already done good amount of due diligence on property



# SELL THE SITE “AS IS”

- Removes City commitments, obligations to maintain
- City would no longer control property
  - Site could remain blighted/underutilized
- Easement could still be included for future riverwalk
  - CSM to retain ownership of riverwalk area may be preferable (City owns riverwalk to the south, as well as the Bentzin Family Town Square)
- Assuming new owner isn't a non-profit, returns to the tax rolls
- City may wish to have appraisal done, but sales comparables may be challenge







## RESIDENTIAL OR COMMERCIAL

- Bringing in more downtown residents with disposable income would be a benefit to nearby businesses
- Increased tax revenue
- Recommend targeting market-rate or higher
- Commercial would be challenging for reasons previously mentioned
- TID #8 already exists (still needs to pass “but for” test for assistance)
- If rental product, PAYGO (“pay as you go”) TIF approach could still be viable, if needed
- If a for-sale product residential development, City could consider a hybrid upfront TIF approach:
  - \$XXX amount per unit after construction and occupancy



# RETAIN AND RE-USE

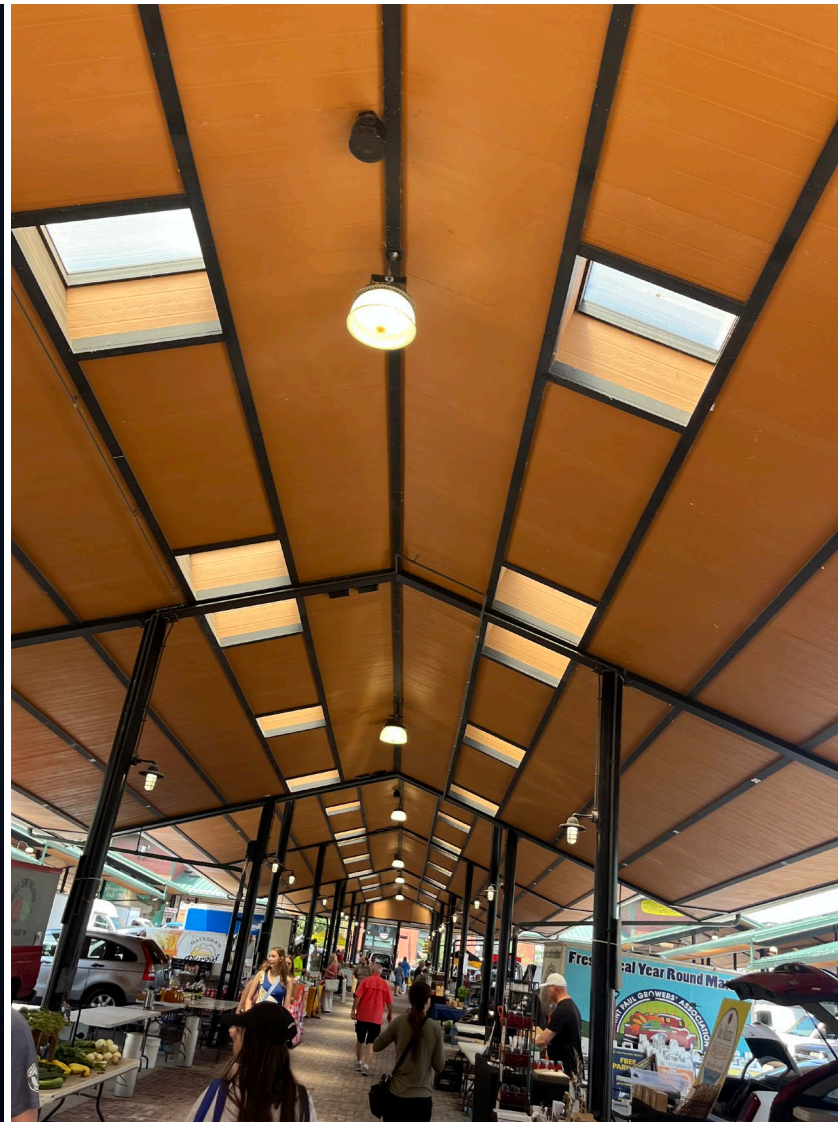
- City could solicit partnerships to create shared public space, or create extension of the Bentzin Family Town Square (possibly funded by TID or park improvement funds, or future borrowing)
  - Could provide often requested amenities (bathrooms, parking), but there would be long-term costs
  - City departments already somewhat strained in maintaining existing parks, other facilities
  - City could allow food trucks, for a fee, though this may draw criticism from existing businesses



- Outdoor market proposal:
  - Could generate tourism, excitement, positive press coverage, etc
  - Who operates and maintains it?
  - Not a proven concept for Watertown, and could possibly compete with Farmer's Market, existing businesses
  - Other sites possibly more suitable



# RETAIN AND RE-USE: EXAMPLE PICTURES





# FINISH THE RIVERWALK

- Last remaining piece of southwest “quadrant” of Rock River District area
- Connectivity from Bentzin Family Town Square to the existing riverwalk going south
- Design estimate: \$65,000
  - Possible source: TID #8, Park Improvement Funds
- Construction estimate (concrete walk, sea wall): \$550,000
  - RDA will continue working to identify funding sources for construction
- Recommend this occur, no matter what happens with remainder of site



## OR DO NOTHING...

- Not recommended
- Blighted appearance detrimental to spurring further reinvestment in downtown
- TID clock is ticking (expenditure period has 18 of 22 years left)
- Liability issues will still remain with sea wall condition, etc





# ASKING FOR A CLEAR DIRECTION

It's a City-owned asset, so leadership is needed from the Mayor and Common Council

We want to try to avoid further setbacks, disappointments

The RDA could also be involved, if requested

- Revolving Loan Fund available to assist development if needed
- Other assistance for a redevelopment project may be available from WEDC, Thrive ED, etc
- RDA board could also possibly assist through studies, public input sessions, if requested

# THANK YOU...

## FEEDBACK, PLEASE

Mason Becker

*Manager of Economic Development  
and Strategic Initiatives*

*August 5, 2025*



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